TRANSCRIPT OF RECORD.

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1916. [redacted] 1919

No. [redacted] 6

THE UNITED STATES OF AMERICA, APPELLANT,

vs.

UNITED STATES STEEL CORPORATION ET AL.

APPEAL FROM THE DISTRICT COURT OF THE UNITED STATES FOR THE DISTRICT OF NEW JERSEY.

VOLUME 3.

GOVERNMENT EXHIBITS.

FILED MAY 12, 1916.

(25292)

UNITED STATES

vs.

UNITED STATES STEEL CORPORATION

Government Exhibits, Vol. III.

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The following Minutes of the Directors of the Federal Steel Company (Record, page 905 to page 915), are offered in evidence by the Petitioner under the foregoing Stipulation, dated June 26th, 1912 (Volume II, Government Exhibits, page 359), for all purposes for which said Minutes are competent and relevant.

FEDERAL STEEL COMPANY.
DIRECTORS' SECOND MEETING.

OCTOBER 11, 1898.

The Board of Directors met at the office of the Company, Mills Building, 15 Broad Street, New York City, on October 11, 1898, at eleven o'clock in the forenoon, pursuant to a call duly made by the President.

Present: CHARLES C. CLUFF, CHARLES MAC VEAGH, and BENJAMIN C. VAN DYKE.

The President then laid before the Board a letter of this date, which he had just received from Messrs. J. P. Morgan & Co., and also drafts of three letters in reply, which seemed to him proper to be sent to Messrs. J. P. Morgan & Co.

Thereupon, by the affirmative vote of all present, it was

RESOLVED, That in partial performance of the Agreement of September 9, 1898, this Company hereby does accept from Messrs. J. P. Morgan & Co. 180,916 shares of the stock of the Illinois Steel Company; 158,896 shares of the stock of the Minnesota Iron Company; 59,810 shares of the stock of the Elgin, Joliet & Eastern Railway Company, and $9,250,000 in cash, and, in consideration therefor, that this Company will, upon demand, issue to Messrs. J. P. Morgan & Co. in certificates for such convenient amounts and in such names as they may indicate, 459,110 shares of the Preferred stock, and 452,265 shares of the Common stock of the Federal Steel Company, and upon the complete performance of said contract by Messrs. J. P. Morgan & Co., by the payment of the further sum of $4,825,000, in cash, the Federal Steel Company also will issue to them, or upon their order, similar certificates

for 46,250 shares of fully-paid Preferred Stock, and 2,000 shares of fully-paid Common Stock of the Federal Steel Company, all as requested in the letter of Messrs. J. P. Morgan & Co. dated October 11, 1898.

RESOLVED, That the President be, and hereby he is, authorized in the name and behalf of this Company, and under the corporate seal or otherwise, to sign and to deliver to Messrs. J. P. Morgan & Co. three letters bearing date this day, confirming the Agreement in the foregoing Resolution, and also to lodge with Messrs. J. P. Morgan & Co. the certificates of stock of the said three companies, and this Company's check for $9,250,000, to be held by Messrs. J. P. Morgan & Co. for their protection, until the Federal Steel Company shall have issued and delivered to Messrs. J. P. Morgan & Co. certificates of this Company for 459,110 fully-paid non-assessable shares of the Preferred stock, and 452,265 shares of the Common stock in such convenient amounts and in such names as may be indicated by Messrs. J. P. Morgan & Co.—the certificates for such stock not yet being ready for delivery.

RESOLVED, That copies of the said four letters be annexed to the Minutes of this meeting.

The following Resolutions were unanimously adopted:

RESOLVED, That The Colonial Trust Company be, and hereby the same is, appointed Registrar of Transfers of the Federal Steel Company in New York.

RESOLVED, That The Corporation Trust Company of New Jersey be, and hereby the same is, appointed Transfer Agent of the Federal Steel Company in Jersey City, New Jersey.

RESOLVED, That Messrs. J. P. Morgan & Co. be, and hereby they are, appointed Fiscal Agents of the Federal Steel Company.

The Board of Directors then adjourned to meet at half past one o'clock in the afternoon of this day, at the same place.

(Signed) CHARLES MAC VEAGH,
Secretary.

NEW YORK, OCTOBER 11, 1898.

TO THE FEDERAL STEEL COMPANY,
New York:

GENTLEMEN:

In partial performance of the Agreement of September 9th, 1898, between your Company and ourselves, acting on behalf of the Syndicate, we herewith deliver to you certificates for 180,916 shares of the stock of the Illinois Steel Company, 158,896 shares of the stock of the Minnesota Iron Company, and 59,810 shares of the stock of the Elgin, Joliet and Eastern Railway Co., and we pass to the credit of your Company on our books the sum of $9,250,000 in cash.

In consideration of the said delivery and payment please issue to us fully-paid and non-assessable certificates of stock of your Company, as follows, viz:

459,110 shares preferred stock,
452,265 shares common stock,

or, in case you are unable to issue suitable certificates at present, owing to the non-receipt of the necessary forms from the engraving company, please undertake upon our demand to issue to us such shares, the certificates therefor to be in such convenient amounts and in such names as we may indicate.

It is further understood that upon the payment by us on behalf of the Syndicate of the further sum of $4,825,000. in cash, you will also issue to us similar certificates for 46,250 shares fully-paid preferred stock and 2,000 shares fully-paid common stock of your Company.

Yours truly,
J. P. MORGAN & Co.

NEW YORK, OCTOBER 11, 1898.

MESSRS. J. P. MORGAN & CO.,
Syndicate Managers,
New York.

DEAR SIRS:

In partial performance of the Agreement of September 9, 1898, between this Company and you acting in behalf of the Syndicate, you have delivered to us today certificates for

180,916 shares of the capital stock of the Illinois Steel Company;

158,896 shares of the capital stock of the Minnesota Iron Company;

59,810 shares of the capital stock of the Elgin, Joliet & Eastern Railway Company;

and you have paid to us the sum of nine million, two hundred and fifty thousand dollars ($9,250,000) in cash.

In consideration of said deliveries and payment we will issue to you, upon your demand, fully-paid, non-assessable certificates of stock of this Company, as follows:

459,110 shares of Preferred Stock;

452,265 shares of Common Stock;

said certificates to be in such convenient amounts and in such names as you may indicate.

Upon payment by you of a further sum of $4,825,000. in cash, we also will issue to you similar certificates for:

46,250 shares fully paid Preferred Stock; and 2,00 shares fully paid Common Stock of this Company.

What already has been done, together with what herein is undertaken, will be a performance of Sections I and II o said Agreement of September 9, 1898.

Yours very truly,
FEDERAL STEEL COMPANY,
By BENJAMIN C. VAN DYKE
President.

NEW YORK, OCTOBER 11, 1898.

MESSRS. J. P. MORGAN & CO.,
Syndicate Managers,
New York.

DEAR SIRS:

Referring to our previous letter of this date, and especially to our understanding therein to issue to you, upon your demand, fully-paid, non-assessable certificates of stock of this Company, as follows:

459,110 shares of Preferred Stock;
452,265 shares of Common Stock;

said certificates to be in such convenient amounts and in such names as you may indicate, we now hand you, with the request that you will cause the same to be transferred to the name of the Federal Steel Company, certificates as follows, viz:

180,916 shares of the capital stock of the Illinois Steel Company;

158,896 shares of the capital stock of the Minnesota Iron Company;

59,810 shares of the capital stock of the Elgin, Joliet & Eastern Railway Company;

and also this Company's check on your good selves for $9,250,000.

The check and stock certificates now delivered to you, as well as the new certificates upon which we will endorse proper transfers, are to be held by you in escrow for your protection until we shall have issued and delivered to you fully-paid non-assessable certificates of this company for:

459,110 shares of its Preferred Stock;
452,265 shares of its Common Stock;

in such convenient amounts and in such names as you may indicate.

Yours very truly,
FEDERAL STEEL COMPANY,
By BENJAMIN C. VAN DYKE,
President.

NEW YORK, OCTOBER 11, 1898.

MESSRS. J. P. MORGAN & Co.,
New York City, New York.

DEAR SIRS:

Referring to the contract of September 9, between this Company and yourselves acting on behalf of the Syndicate, and to the delivery of shares of the Minnesota Iron Company, the Illinois Steel Company and the Elgin, Joliet and Eastern Railway Company, which you have this day made to this Company, we hereby confirm our understanding, viz:

That in exchange for any and all additional shares of such Companies, which you may deliver to us on or before December 15, 1898, from time to time, upon every such delivery, we will issue to you additional shares of the Preferred Stock of the Federal Steel Company at the rates of exchange specified in Article I. (b) of said Agreement, viz:

One and $\frac{325}{1000}$ shares of Preferred Stock of the Federal Steel Company for each share of the Minnesota Iron Company.

One share Federal Steel Company Preferred Stock for each share of the Illinois Steel Company.

$\frac{775}{1000}$ of one share of Federal Steel Company Preferred Stock for each share of the Elgin, Joliet and Eastern Railway Company.

Yours truly,
FEDERAL STEEL COMPANY,
By BENJAMIN C. VAN DYKE,
President.

FEDERAL STEEL COMPANY.
DIRECTORS' THIRD MEETING.

OCTOBER 11, 1898.

The Board of Directors met at the office of the Company, Mills Building, 15 Broad Street, in the City of New

York, on October 11, 1898, at 1:30 o'clock in the afternoon, pursuant to adjournment, and to a special call by the President, said call being dated and issued October 10, 1898.

Present: BENJAMIN C. VAN DYKE, CHARLES C. CLUFF, and CHARLES MAC VEAGH.

The President reported that, in pursuance of the request contained in a letter received since the last meeting of the Board from Messrs. J. P. Morgan & Company, there had been issued, out of the 459,110 shares of preferred stock to be issued to Messrs. J. P. Morgan & Company, or as they might indicate, certificates for three shares of preferred stock to each of the following gentlemen, namely

J. Pierpont Morgan,
Robert Bacon,
Marshall Field,
Norman B. Ream,
H. H. Rogers,
E. H. Gary,
Nathaniel Thayer,
H. H. Porter,
R. P. Flower,
D. O. Mills,
C. C. Cuyler and
Samuel Mather.

Upon motion of Mr. Mac Veagh, the following Resolution was unanimously adopted:

WHEREAS, It is provided in Article II of the By-Laws of the Company, as follows, namely:

"The number of the first Board of Directors shall be three, but at any time the number may be increased by vote of the Board of Directors, and in case of any such increase the Board of Directors shall have power to elect such additional Directors to hold office until the next meeting of stockholders, or until their successors shall be elected. If the office of any Director becomes or is vacant by reason of death, resignation, disqualification, increase in number or otherwise, the remaining Directors, by a majority vote, may elect a suc-

cessor who shall hold office for the unexpired term or until his successor is elected."

And whereas, It is considered advisable that the number of Directors should now be increased to fifteen, and that such additional Directors should now be elected to hold office until the next meeting of the stockholders, or until their successors shall be elected, it is

Resolved:

(1) That the number of the Directors of this Company be and the same hereby is, increased to fifteen; and

(2) That the Board of Directors, as at present composed under the power given to them by Article II of the By-Laws, do now proceed to fill vacancies caused by the increase in the number of Directors.

A ballot having been taken, the following persons, all of whom are stockholders of the Company, were duly elected Directors of the Company to fill the vacancies so created, and to hold office until the next meeting of stockholders, or until their successors shall be elected, namely:

J. Pierpont Morgan,
Robert Bacon,
Marshall Field,
Norman B. Ream,
H. H. Rogers,
E. H. Gary,
Nathaniel Thayer,
H. H. Porter,
R. P. Flower,
D. O. Mills,
C. C. Cuyler,
Samuel Mather.

Thereupon Messrs. Robert Bacon, E. H. Gary, Nathaniel Thayer, H. H. Porter and R. P. Flower appeared and took their places in the Board as members of the Board of Directors.

Mr. Charles C. Cluff then presented his resignation as Treasurer of the Company, to take effect immediately.

Upon motion the resignation of Mr. Cluff, as Treasurer of this Company, was accepted.

Upon motion, it was

RESOLVED, That the Board of Directors proceed to fill the vacancy caused by the resignation of Mr. Cluff as Treasurer.

A ballot having been taken, Mr. Richard Trimble was unanimously elected Treasurer of the Company to fill the vacancy caused by the resignation of Mr. Cluff.

Mr. Van Dyke then presented his resignation as President of this Company, to take effect upon the election of his successor.

Upon motion, the resignation of Mr. Van Dyke, as President of this Company, was accepted.

Upon motion, it was

RESOLVED, That the Board of Directors proceed to the election of a President to fill the vacancy caused by the resignation of Mr. Van Dyke.

A ballot having been taken, Mr. E. H. Gary was duly elected President of the Company to fill the vacancy caused by the resignation of Mr. Van Dyke. Mr. Van Dyke thereupon retired from the Chair and Judge E. H. Gary took his position as President.

Upon motion the Board of Directors then adjourned to meet at the Mills Building, 15 Broad Street, on Wednesday, October 12, 1898, at two o'clock in the afternoon.

(Signed) CHARLES MAC VEAGH,
Secretary.

FEDERAL STEEL COMPANY.
DIRECTORS' FOURTH MEETING.

OCTOBER 12, 1898.

The Board of Directors met at the office of the Company, Mills Building, 15 Broad Street, in the City of New York, on October 12, 1898, at two o'clock in the afternoon, pursuant to adjournment.

Present: E. H. Gary, President. Robert Bacon, Nathaniel Thayer, H. H. Porter, R. P. Flower, Benjamin C. Van Dyke, Charles C. Cluff, Charles Mac Veagh, Secretary.

The Secretary read the Minutes of the first three meetings of the Board of Directors, held on September 9 and October 11, 1898, and on motion, duly seconded, it was unanimously

Resolved, That the Minutes of the first three meetings of the Board of Directors, held, respectively, on September 9, 1898, on October 11, 1898, at eleven o'clock and on October 11, 1898, at half-past one o'clock, be, and hereby the same are, approved, and all the Resolutions and proceedings set forth in said Minutes hereby are in all respects confirmed.

Upon motion of Mr. Flower the following Resolution was unanimously adopted:

Whereas, It is provided in the By-Laws, Article IX, that the Directors "shall elect from among their own number a Chairman of the Board", and by the By-Laws, Article XI, that "there shall be an Executive Committee of five Directors selected by the Board;"

Resolved, That the Board of Directors do now proceed to the election of an Executive Committee and of a Chairman of the Board of Directors.

The following members of the Board of Directors were nominated as members of the Executive Committee, namely:

H. H. Porter,
H. H. Rogers,
Nathaniel Thayer,
E. H. Gary,
Charles Mac Veagh.

A ballot having been taken, the gentlemen so nominated were, by the unanimous vote of the Directors present, duly elected members of the Executive Committee.

A ballot having been taken Mr. H. H. Porter was unanimously elected Chairman of the Board of Directors of this Company.

Upon motion, duly seconded, the following Resolution was unanimously adopted:

RESOLVED, That the subject matter of the purchase of the property or stock of the Lorain Steel Company, or of the Johnson Company of Pennsylvania, or of the Johnson Company of Ohio, or any part thereof, and all matters relating to the contract or option between A. J. Moxham and others, of the one part, and H. H. Porter and E. H. Gary, of the other part, be, and hereby the same are, referred to H. H. Porter and E. H. Gary with full power and discretion to take such action in behalf of the Federal Steel Company as to them may seem expedient and wise.

Mr. Mac Veagh then presented his resignation as Secretary of the Company to take effect October 13th, 1898.

Upon motion, the resignation of Mr. Mac Veagh as Secretary was duly accepted.

Upon motion it was

RESOLVED, That the Board of Directors proceed to fill the vacancy caused by the resignation of Mr. Mac Veagh as Secretary.

A ballot having been taken, Mr. Richard Trimble was unanimously elected Secretary of the Company to fill the vacancy caused by the resignation of Mr. Mac Veagh.

Upon motion it was

RESOLVED, That the Board of Directors proceed to the election of a First Vice-President of the Company.

A ballot having been taken Mr. Charles Mac Veagh was duly elected First Vice-President of the Company.

Upon motion, the Board of Directors then adjourned.

(Signed) CHARLES MAC VEAGH,
Secretary.

The following Minutes of the Stockholders of the Federal Steel Company (record, page 916 to page 918), are offered in evidence by the Petitioner under the foregoing Stipulation, dated June 26, 1912 (Volume II, Government Exhibits, page 359), for all purposes for which said minutes are competent and relevant.

FEDERAL STEEL COMPANY.
INCORPORATORS' FIRST MEETING.

SEPTEMBER 9TH, 1898.

At a meeting of the Incorporators of the Federal Steel Company, held at the office of the Corporation Trust Company, of New Jersey, at 60 Grand Street, corner of Greene Street, in Jersey City, New Jersey, on the 9th day of September, 1898, at three o'clock in the afternoon, the following proceedings were had:

Present: CHARLES C. CLUFF, CHARLES MAC VEAGH and BENJAMIN C. VAN DYKE.

The meeting was called to order by Mr. Cluff, and on his motion, Mr. Van Dyke was elected Chairman, and Mr. Mac Veagh was elected Secretary.

Mr. Van Dyke took the Chair, and Mr. Mac Veagh presented the certified copy of the certificate of organization of the Company, which was duly recorded in the office of the Clerk of Hudson County, New Jersey, on September 9th, 1898, and duly filed in the office of the Secretary of State of New Jersey on September 9th, 1898.

Mr. Mac Veagh then presented the waiver of the notice of this meeting, which, together with said certificate of organization was ordered to be spread upon the record of the minutes of this meeting.

* * *

The Chairman then reported to the Incorporators various proceedings and negotiations that had been had with Messrs. J. P. Morgan & Co., of New York, in reference to the acquisition of at least two-thirds of the capital stock of the Min-

nesota Iron Company, the Illinois Steel Company, and the Elgin, Joliet and Eastern Railway Company, and also the possible acquisition of a two-thirds interest in the manufacturing property and appurtenances of the Lorain Steel Company, at Lorain, Ohio, and the Johnson Company, of Pennsylvania, all as shown in a proposed agreement with Messrs. J. P. Morgan & Co., of which a copy was submitted to the meeting and is annexed to the minutes hereof.

Upon motion, by the affirmative vote of all present, it was

RESOLVED, That the Board of Directors be, and hereby it is authorized, in its discretion, to make, and to perform, a contract with Messrs. J. P. Morgan & Co., substantially in the terms of that now submitted to this meeting.

* * *

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS OF FEDERAL STEEL COMPANY.

Minutes of the Annual Meeting of Stockholders of Federal Steel Company, held at the office of the Company, corner of Greene and Grand Streets, Jersey City, New Jersey, on the 2nd day of April, 1900, at eleven o'clock in the forenoon, pursuant to notice advertised as required by the by-laws and mailed to each stockholder at his, her or its address as the same appear on the books of the Company, for the purpose of electing Directors and receiving and acting upon the reports of officers and committees, and for such other business as may come before the meeting.

E. H. Gary called the meeting to order and upon motion, E. H. Gary was elected temporary chairman and Richard Trimble temporary Secretary of the meeting.

There were present in person:

E. M. Smith	representing.....	75	shares.
George O. Foster	"	40	"
Charles Eugert	"	1,117	"
William G. Merryman	"	500	"
George P. Conard	"	130	"
John A. Ingham	"	12	"
E. A. Cruikshank	"	100	"

Charles Mac Veagh	"	10	"
Thomas Murray	"	428	"
C. Roy Bangs	"	15	"
There were present by proxy to H. H. Porter, E. H. Gary and Nathaniel Thayer, shareholders representing		601,181	"
There were present also, C. H. Van Beuren and Company by proxy to Frank C. Walsh, representing		100	"
Making a total represented of		603,708	shares,

being a majority of the stock of the Company, issued and outstanding.

• • •

At one o'clock in the afternoon, the polls having remained open for one hour, between the hours of twelve o'clock noon and one o'clock in the afternoon, the Inspectors reported that, having taken an oath impartially to conduct the election, they received the votes of the stockholders by ballot and that there were 603,708 votes cast, the said number being cast in favor of the election of each of the following Directors, namely:

H. H. Porter,
E. H. Gary,
H. H. Rogers,
Nathaniel Thayer,
Samuel Spencer,
J. P. Morgan,
Robert Bacon,
C. C. Cuyler,
Norman B. Ream,
Samuel Mather,
Marshall Field,
Charles Mac Veagh,
James Sim,
D. O. Mills,
A. R. Flower.

The Chairman thereupon declared the above named gentlemen elected Directors for the ensuing year, and until others shall be chosen in their places.

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The following Minutes of the Directors of the Carnegie Company (Record, page 919 to page 920), are offered in evidence by the Petitioner under the foregoing Stipulation, dated June 26, 1912 (Volume II, Government Exhibits, page 359), for all purposes for which said Minutes are competent and relevant.

Each and all of said minutes are objected to by counsel for said Defendants on the ground of incompetency, irrelevancy and immateriality.

MARCH 11, 1901.

The Regular Monthly Meeting of the Directors of

THE CARNEGIE COMPANY,

was held at the General Offices of the Company, Pittsburg, Pa., at 2 o'clock P. M., on Monday, March 11th, 1901, being adjourned from Tuesday, March 5th, 1901, for lack of a quorum.

There were present MM. SCHWAB (President), SINGER, MORRISON, GAYLEY, CLEMSON and L. C. PHIPPS; also MM. BLACKBURN (Secretary) and BOPE. MM. LYNCH, LAUDER, HENRY PHIPPS, DILL and MORELAND absent.

* * *

PURCHASE OF THE COLUMBIAN MINE.

MR. GAYLEY: I would like to ask the approval of the Board of the purchase by the Oliver Iron Mining Company of the Columbian Mine, mentioned in the previous minutes. This was offered to us, you will remember, at $375,000.00. We purchased it last week for $200,000.00.

It was moved by Mr. L. C. Phipps, seconded by Mr. Morrison, that the purchase of the Columbian Mine by the Oliver Iron Mining Company be approved. The motion was carried, the vote being unanimous.

MR. GAYLEY: I would also like the approval of the Board of the purchase of the race-track property at Negaunee, which

is an extension of our Hartford Mine, cost being $100,000.00. This property is right in the trend of the ore and very desirable. The purchase has been approved individually by the members of the Oliver Iron Mining Company Board. The ore is partly non-Bessemer and partly Bessemer. The terms of payment are cash. If we had not taken the property, it would have been purchased by the Mathers. We had to act very quickly to keep them from getting it. The ore is estimated at anywhere from two million to four million tons.

MR. CLEMSON: I approve of the purchase, because it is a strategic move. I am certain it is worth the money.

It was moved by Mr. Morrison, seconded by Mr. L. C. Phipps, that the purchase of the property in question, by the Oliver Iron Mining Company be approved. The motion was carried, the vote being unanimous.

There being no further business, the Board adjourned at 2:15 P. M.

W. W. BLACKBURN,
Secretary.

APPROVED:
C. M. SCHWAB,
President.

The following Minutes of the Directors of the Carnegie Steel Company (Record, page 921 to page 946), are offered in evidence by the Petitioner under the foregoing Stipulation, dated June 26, 1912 (Volume II, Government Exhibits, page 359), for all purposes for which said Minutes are competent and relevant.

Each and all of said minutes are objected to by counsel for said Defendants on the ground of incompetency, irrelevancy and immateriality.

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, July 30th, 1901, there were present MM. COREY (President), BOPE, BLACKBURN, McCAUSLAND; also MM. McCAGUE, KERR and DINKEY. MM. C. M. SCHWAB, J. E. SCHWAB and GARY absent; MM. CLEMSON, MORRISON, REED and SINGER abroad.

* * *

AMERICAN STEEL HOOP COMPANY.

MR. COREY: I find that the Steel Hoop Company had an agreement with the Illinois Steel Company to pay them $150,000 per year to stay out of the Cotton Tie business. Mr. Preston tried to have the contract cancelled the First of April, but failed, and agreed to continue it for the remainder of this year. I took the matter up again this week, taking the stand that all contracts were abrogated between the constituent companies as of July 1st. President Schwab agreed with me, so that we succeeded in having that agreement cancelled.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, November 12th, 1901, there were present MM. COREY, (President), BOPE, BLACKBURN, MCCAUSLAND, MORRISON, and CLEMSON. Also MM. DICKSON and KEER. MM. C. M. SCHWAB, J. E. SCHWAB, GARY, REED and SINGER absent.

* * *

CONNECTION WITH THE REPUBLIC IRON & STEEL COMPANY AT SHARON.

MR. BLACKBURN: We have notice from the Republic Iron & Steel Company that two of their representatives will call on Friday to talk about the connecting road at Sharon, that we talked about some months ago. I have arranged to have Mr. Packer, Mr. Smith and Mr. McCague attend the conference and will report later as to what they propose. They have not stated in their correspondence what they wish to do, but we will have some definite understanding, with an agreement for a term of years.

MR. COREY: I do not see that Republic can afford to be antagonistic to us, and we may as well let them understand that. In this one particular case they have us in a hole, but if they wish to push us, we will push them all along the line. We want an agreement, put in definite shape so that there can be no discussion in future.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Monday, February 24th, 1902, there were present: MM. COREY, (President), BOPE,

BLACKBURN, SINGER, REED, MORRISON, MCCAUSLAND and KERR. MM. CLEMSON, C. M. SCHWAB and GARY absent.

* * *

CANCELLATION OF CONTRACTS

with

THE OLIVER IRON MINING COMPANY.

Mr. Blackburn submitted the following communication from James Gayley, First Vice-President, United States Steel Corporation, relative to cancellation of contracts for the purchase from the Lake Superior Consolidated Iron Mines of the ores of the Oliver Iron Mining Company:

"Mr. Fraser will send you for execution by the Carnegie Steel Company, agreements cancelling the contracts for the purchase by the Carnegie Steel Company, from the Lake Superior Consolidated Iron Mines, of the ores of the Oliver Iron Mining Company.

As I have previously explained to your Board, in the matter of the Stephens Mine, the execution of the contracts now to be cancelled was forced upon the Carnegie Company by the Lake Superior Consolidated Mines, in order to prevent their securing any reduction in rail freights from the Mesaba Range. The formation of the United States Steel Corporation permits of the cancelling of these contracts and abolishes the entirely fictitious sale of the Oliver ores to the Consolidated Mines and their re-sale to The Carnegie Company.

I therefore request that you will have the contracts promptly executed as requested by Mr. Fraser."

It was moved by Mr. Kerr, seconded by Judge Reed, that the President be authorized to execute the agreements, cancelling the old contracts, copies of said agreements to be attached to the minutes.

The motion was carried, the vote being unanimous.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, July 1st, 1902, there were present: MM. COREY (President), BOPE, SINGER and MCCAUSLAND. MM. SCHWAB, GARY, BLACKBURN, CLEMSON, REED, MORRISON and KERR absent.

* * *

SCALE CONTRACTS.

MR. COREY: The only item of interest I have to-day is to state that, at the last meeting of the Presidents, it was decided by a majority, and approved by the President of the Steel Corporation, that the Carnegie and National Steel Companies are not to sell unfinished material on Scale Contracts to any companies competing with constituent companies of the Corporation; and such Scale Contracts, with such competing parties, are to be discontinued at as early a date as possible. Any excess tonnage we may have, over and above what is required to keep the constituent companies in operation, we will sell as we find it necessary, but at such a figure as will be above that at which we sell the constituent companies. That will mean more shutdowns in the future than in the past, but with some 150 new Tin Plate Mills, and 122 Sheet Mills there will be severe competition for our constituent companies.

I was much surprised to find we have such a small number of concerns on our books receiving unfinished steel from us, which compete with the constituent companies. The only one in fact, that takes any great quantity, is the Union Steel Company.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, August 12th, 1902, there were present MM. COREY (President), MCCALLAND, MORRISON, REED, KERR and CLEMSON; also J. J. CAMPBELL and H. L. CLARK (Secretary to the Board). MM. SCHWAB, GARY, BOPE, BLACKBURN and SINGER absent.

* * *

NEW COMPETITORS.

The President read a private report on the condition of the Lackawanna Steel Company's new plant, from which it was apparent that the completion of their blast and open-hearth furnaces, their by-product ovens, the canal from the Lake to their ore dock, and, in fact, about all the work under way will be from six months to a year later than they have anticipated. The report also stated that, while they have decided on the size of their plate mills, they have taken no steps toward building them, and are making no move toward putting in structural mills. The President thought the building of open-hearth furnaces would indicate that they expect to engage in the manufacture of these lines sooner or later.

The President also stated that reports from the west indicated that it would be a year or more before Colorado would be able to make any of the products they are preparing to manufacture; namely, tin plate, wire and pipe.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, August 26th, 1902, there were present: MM. BOPE (First Vice-President),

MORRISON, KERR; also GEO. E. MCCAGUE (proxy for Mr. Singer); JAS. J. CAMPBELL, Assistant Secretary. MM. COREY, SCHWAB, GARY, CLEMSON, REED, SINGER, BLACKBURN and MCCAUSLAND absent.

* * *

ORE AND COKE SUPPLY.

MR. KERR: The Bessemer Road has ten new large locomotive, and are moving our ore better than at any time during this season. On coke for ourselves and other constituent companies, we are in fairly good shape, but outside Furnaces, from whom we are getting Pig, are not faring so well.

Pocohontas have begun to ship us some to Zanesville and Columbus.

In addition to the scarcity of coke for outsiders, I believe that some of them are short on ore, because of the many inquiries we have had for ore lately. Crucible people cannot get all their ore down, because they cannot take care of it yet. The Pennsylvania Railroad Company have notified Cambria that they will not bring any more of their ore forward from the Docks for the present. This will compel Cambria to stock on the Docks, and the other effect will be to crowd the Docks and in a measure restrict or reduce the tonnage that can be brought down this season, thus creating a shortage for some consumers.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, September 9th, 1902, there were present MM. BOPE (1st Vice-President), MCCAUSLAND, CLEMSON, KERR; also J. J. CAMPBELL, GEO. E. MCCAGUE and H. L. CLARK (Secretary to the Board). MM. SCHWAB, COREY, BLACKBURN, SINGER, REED, GARY and MORRISON absent.

* * *

MR. BOPE: * * *

Bars is the only weak element. The capacity of the Hoop and Carnegie Mills combined is enormous, being over a million tons per year. The mills rolling the smaller sizes are in pretty bad shape, but those rolling the larger and wider sizes are filled up practically to next July. Our 8" and 16" mills are without tonnage.

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, October 21st, 1902, there were present: MM. COREY (President), BOPE, BLACKBURN, REED, MCCAUSLAND, MORRISON, CLEMSON and KERR; also H. L. CLARK (Secretary to the Board). MM. SCHWAB, GARY and SINGER absent.

* * *

MR. BOPE: The loss in rails is due to heavy shipments, and to the transfer of some tonnage to Lorain, who were in need of it. We have outstanding seventeen rail contracts, aggregating 182,000 tons. I learned this morning that the Pennsylvania Steel Company have sold enough rails to keep them running full up to the 1st of December. They are away oversold on their percentage. Taking National, Lorain, Illinois and Carnegie, we have in the neighborhood of 800,000 tons of rails to sell, in order to run full through next year. Estimating that we will get 300,000 tons from traction roads, we will have half a million tons yet to sell. Most of the trunk lines have bought the bulk of their requirements, but some of them will likely need small additional tonnages. We may have to take some Mexican or Canadian business, but I am not worrying about it, as I think we can easily dispose of the remaining tonnage.

Standard Oil Contract for skelp has been approved by Mr. Rodgers, and will be signed up to-morrow, when Mr. Arnold will be here.

* * *

Inspection Tour.

Mr. Corey: During the past week Mr. Kerr and myself, with some of our other officials, made a tour of the National and Steel Hoop plants, and, taking everything into consideration, we found them in very fair shape. The Ohio Steel Works is making a phenominal record on rails. Last month they made 42,000 tons, and this month will likely make 50,000 tons; and their percentage of seconds is exceptionally low.

* * *

At a Meeting of the Board of Directors of the

Carnegie Steel Company,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Monday, November 17th 1902, there were present: MM. Bope, (First Vice-President), Reed, Blackburn, Singer, McCausland, Morrison and Kerr; also H. L. Clark (Secretary to the Board). MM. Schwab, Gary, Corey and Clemson absent.

* * *

Mr. Bope: * * *

We have made an arrangement with the Tube Company, whereby we are putting a preferential in their favor on skelp, and they are to discontinue the manufacture of iron pipe, except at one of their plants where they puddle their own iron. If they carry out their plans, they will give us 125,000 tons of skelp for the Hoop Mills. This would put the Hoop Company in good shape on skelp, and we could then give attention to hoops, bands, bars and cotton ties, and run pretty full next year.

We are also working on a conversion deal with National Tube Company, which would give us about 75,000 tons of blooms.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, November 25th, 1902, there were present: MM. BOPE, (First Vice-President), SINGER, BLACKBURN, MORRISON, KERR, REED and MCCAUSLAND; also H. L. CLARK, (Secretary to the Board). MM. SCHWAB, GARY, COREY and CLEMSON absent.

* * *

MR. BOPE: * * *

The Tube Company's plans are working nicely, and it looks as if the arrangement mentioned last week will be put through.

The Wire Company have advised me that they have been forced to transfer men from other offices to their selling department, in order to handle the immense volume of business coming in, as a result of their cut in prices.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, December 2, 1902, there were present: H. P. BOPE, (First Vice-President), SINGER, BLACKBURN, MCCAUSLAND, CLEMSON and KERR; also H. L. CLARK (Secretary to the Board). MM. SCHWAB, COREY, GARY, REED and MORRISON absent.

* * *

PRICE OF PIG IRON.

MR. BOPE: Sales of pig iron during the month of November amounted to only 9,000 tons, and the average price was

$22.76. While strictly speaking, this would be the basis for our scale contracts, it would put the price of billets away above the present price in the open market. This taken in connection with the very small tonnage sold during the month, makes it a question whether it would not be better to submit a lower figure as a basis of price on these contracts.

On debate it proved to be the consensus of opinion that the price of $22.75 should be submitted and any necessary adjustments made later.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Monday, May 25th, 1903, there were present: MM. BOPE, (First Vice-President), BLACKBURN, SINGER REED, CLEMSON and KERR; also H. L. CLARK (Secretary to the Board). MM. COREY, MORRISON, McCAUSLAND, SCHWAB, GARY and MURRAY absent.

* * *

MR. BOPE: The loss in rails is more apparent than real, as the bulk of it is due to the transfer of 20,000 tons to Lorain. In reality, bookings for the week just about equal shipments and the showing is much better than for several weeks past. In addition to the rails reported, we have outstanding on contracts about 7,000 tons and rail inquiry is keeping up nicely.

The general feeling seems to be better and when in New York last week I was agreeably surprised to hear the very optimistic reports made by the representatives of the other Constituent Companies. Inquiry in our own lines continues good, and as the Presidents having decided on a meeting in the second week of June to fix the price of rails for next year, we will have a buying movement started in that direction shortly.

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Monday, July 20th, 1903, there were present: MM. COREY (President), BOPE, BLACKBURN, REED, SINGER, CLEMSON, KERR and DINKEY; also H. L. CLARK (Secretary to the Board). MM. SCHWAB, GARY, MCCAUSLAND and MURRAY absent.

* * *

PROTECTING AMERICAN BRIDGE COMPANY ON PLAIN MATERIAL.

MR. BOPE: I wish to ask how far we are expected to go in protecting the American Bridge Company by reducing the price of plain material to enable them to meet competition. Cambria and Jones & Laughlins have been very aggressive for some time, and have come down to the base prices for workmanship, which the Bridge Company have always claimed they could not meet, and on some desirable business we have been making them slight concessions.

MR. COREY: I think no reduction should be made to the Bridge Company. They have been instructed to meet competition and take the business, and if it develops that they cannot get out the work as cheaply as Riter-Conley, McClintic-Marshall and their other competitors, who pay full prices for plain material, then we should know it so that we can see where the trouble lies and apply a remedy.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Monday, August 31st, 1903, there were present: MM. REED, DINKEY, BOPE, CLEMSON, KERR and MCCAUSLAND; also JAS. J. CAMPBELL and H. L.

CLARK (Secretary to the Board). MM. COREY, SCHWAB, GARY, SINGER, BLACKBURN and MURRAY absent.

* * *

MR. BOPE: * * *

We closed a contract on Saturday with the Pittsburg Steel Company for their year's supply of billets—a maximum tonnage of 180,000 tons.

* * *

SOUTH SHARON SKELP MILL.

MR. DINKEY: The Skelp mill at South Sharon is a duplicate of what they propose to build at McKeesport and Lorain, and as there does not seem to be much probability of our being able to run the South Sharon mill if the others are built, I suggested at the meeting that permission of the bondholders be obtained for removal of our mill to one of the other points. A committee was appointed to go into the matter.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, November 24th, 1903, there were present: MM. REED, DINKEY, BOPE, BLACKBURN, SINGER, CLEMSON, MCCAUSLAND and KERR; also A. R. HUNT, GEO. E. MCCAGUE and H. L. CLARK (Secretary to the Board). MM. SCHWAB, COREY, GARY and MURRAY absent.

* * *

MR. BOPE: * * *

The American Bridge Company advise that they are bidding on 180,000 tons of work for the east. In this section and in the west business with them is flat, which is a rather surprising situation, but which they attribute to the

fact that they have the large roads covered by contracts running into next year and have not booked anything new to speak of in the past few months.

There is some evidence that the iron manufacturers are getting pretty tired of the present low prices. The eastern iron manufacturers met last week and agreed to run only four days out of the week and to get Sternberg back into the "fold", which they succeeded in doing. In the west Republic is making abnormally low prices on iron, based on the very low cost of scrap: As an instance, they are quoting 1.30c. delivered at Cincinnati.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Monday, December 21st, 1903, there were present: MM. REED, (Chairman), DINKEY, BOPE, BLACKBURN, SINGER, CLEMSON, MCCAUSLAND, and KERR; also A. R. HUNT, GEO. E. MCCAGUE and H. L. CLARK, (Secretary to the Board). MM. SCHWAB, COREY, GARY and MURRAY absent

* * *

MR. BOPE: * * *

At the Meeting of the Sales Managers on Saturday the situation was very thoroughly discussed, and the Wire and Tube Companies were authorized to cut their products openly. The Tin Plate Company reported excellent business in their line; and the Sheet Steel Company said the maintenance of the price of billets would have a good effect on their trade. The Bridge Company will show more tonnage for 1903 than 1902. The Steel and Wire Company proposes to cut nails openly to $1.80, and Mr. Baackes said he felt satisfied that by the date of our next Meeting, the 6th of January, they will have booked twice as much tonnage as any of the rest of us. The Tube Company hope by the 1st of Jan-

uary to have six months' business on their books. Altogether the situation looks very encouraging—the only weak element I can see is Rails, of which practically no tonnage at all is being booked.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Monday, February 29th, 1904, there were present: MM. REED, DINKEY, BLACKBURN, SINGER, CLEMSON and MCCAUSLAND; also A. R. HUNT, J. E. WOODS and H. L. CLARK (Secretary to the Board). MM. SCHWAB, COREY, BOPE, KERR, GARY and MURRAY absent.

* * *

CONDITION OF TRADE.

MR. DINKEY: It will doubtless be of interest to the Board to know that our order books are gradually working into better condition. I think the month of March will be about an average month. There will be a marked shortage in only the items of rails, structural and plates. The Corporation has purchased 150,000 tons of iron, 50,000 for delivery each in March, April and May.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Monday, March 7th, 1904, there were present: MM. REED, DINKEY, BOPE, BLACKBURN, CLEMSON and MCCAUSLAND; also A. R. HUNT and H. L. CLARK (Secretary to the Board). MM. SCHWAB, COREY, SINGER, KERR, GARY and MURRAY absent.

* * *

MR. BOPE: * * *

In bars the situation is peculiar, in that the tonnage is steadily increasing, and yet within the past week we have had more evidences of price cutting than for some time past. The present ruling base price is not being cut, but extras are being shaded here and there and Open Hearth is being offered at the same price as Bessemer. Clairton is coming into the market as a seller of finished bars and are offering Open Hearth at the present market price for Bessemer. We are going to have a meeting of our Sales Managers next week to talk over the situation and consider the question of an advance in price. When this matter came up a month ago I was rather opposed to an advance, but I believe now that it can be made and maintained. With the competition now appearing it would seem advisable to do away with the differential between Bessemer and Open Hearth. We had a thorough discussion of the matter at the Sales Managers' meeting, with a number of the Presidents in attendance, and all except Mr. Corey were of the opinion that an advance should be made. The Wire and Tube Companies both intend to advance their prices, and it was felt that an advance in bars would help them maintain higher prices, and that the move would have a good effect in a sentimental way on the business of the Sheet Steel Company.

Bar iron has stiffened considerably, and we withdrew all quotations and advanced the price. Our purchase of pig iron has stiffened the market and scrap is also stronger, which facts would account for the better feeling in bar iron.

* * *

DONORA PLANT.

MR. DINKEY: Mr. Corey has given word to start Donora, and we are at work effecting an operating organization. The first furnace should be blown in by the end of the month. The Open Hearths will not be started, and I do not think we will need to put them in operation this summer.

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At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Monday, March 28th, 1904, there were present: MM. REED, DINKEY, BOPE, BLACKBURN, SINGER and CLEMSON; also A. R. HUNT and H. L. CLARK (Secretary to the Board). MM. SCHWAB, COREY, GARY, MURRAY, MCCAUSLAND and KERR absent.

* * *

DONORA FURNACES.

MR. DINKEY: It might be of interest to the Board to know that the first of the Donora blast furnaces will be put in operation early next month, and the second will follow about a month later. We shall, of course, start there with an entirely new organization and with the highest type of furnace in existence from a mechanical standpoint, and will, no doubt, experience some difficulties in getting under way. However, I do not think there will be any serious trouble.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Monday, April 4th, 1904, there were present: MM. REED, DINKEY, BOPE, SINGER, CLEMSON and MCCAUSLAND; also A. R. HUNT, JAS. J. CAMPBELL and H. L. CLARK (Secretary to the Board). MM. SCHWAB, COREY, BLACKBURN, KERR, GARY and MURRAY absent.

* * *

Pig Iron Situation.

Mr. Dinkey: Since our last meeting Mr. Corey has asked me to look over the pig iron situation carefully, and to wait a week or two before lighting Donora; otherwise the furnace would have been placed in operation to-morrow.

A discussion followed as to the iron situation, in general, and it was decided that on account of the dullness in the heavier lines of product, it might be advisable to move slowly in the matter of placing more furnaces in operation, and to wait a few weeks in order to get a closer idea of the probable movement of the market.

* * *

At a Meeting of the Board of Directors of the

Carnegie Steel Company,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Monday, May 2nd, 1904, there were present: MM. Dinkey, (President), Bope, Blackburn, Singer, Clemson, McCausland and Kerr; also A. R. Hunt and H. L. Clark (Secretary to the Board). MM. Schwab, Corey, Reed, Gary and Murray absent.

* * *

Operating Contract with Union Steel Company.

The following resolution was offered by Mr. Blackburn:

"Resolved, That the officers of this Company be and hereby are authorized to execute the following Agreement or Operating Contract with Union Steel Company:"

"Carnegie Steel Company, a corporation of New Jersey, hereafter called "Carnegie"), and Union Steel Company, a corporation of Pennsylvania (hereafter called "Union"), hereby agree as follows:

First.—Union hereby leases unto Carnegie from March 1, 1903, its blast furnaces, open hearth furnaces and bloom-

ing mill, and all equipment connected therewith and used in the operation thereof, situate at Donora, Washington County, Pennsylvania, and forming part of its "Donora Plant", and also its blast furnaces, open hearth furnaces, blooming mill and plate mill, and all equipment connected therewith and used in the operation thereof, situate at Sharon, Pennsylvania, and being part of its "Sharon Plant".

SECOND.—Carnegie agrees to maintain and operate said plants in a good and workmanlike manner, making all proper and needful repairs thereto, in accordance with the requirements of the Mortgage made by Union to New York Security & Trust Company dated December 1, 1902, and to surrender up the said premises and property to Union in good condition at the expiration or termination of this lease. And as Union has transferred to Carnegie with said property certain personal property, including inventories and cash assets, for use by Carnegie for working capital in operating said property, Carnegie agrees upon termination of this lease to return to Union an equivalent value therefor, either in cash or inventories, or other assets acceptable to Union.

THIRD.—Carnegie agrees to pay to Union, as rental hereunder, the net income received by it from the operation of said plants, after payment of all expenses and taxes incurred by it in the operation and maintenance of said plants. The precise method under which said net income shall be determined and the decision as to what constitutes net income to be agreed upon by the Auditor of Carnegie and Secretary of Union. Carnegie agrees to render Union monthly detailed reports of operations of the property in such form as may be satisfactory to Union; and also to make settlement in cash of all amounts due Union in accordance with this section, quarterly on or before the 25th day of February, May, August and November. In case the net result of operation of the property should be a deficit, then Union will reimburse Carnegie therefor quarterly on similar dates. Carnegie agrees that in determining the net income of the property leased hereunder it will allow credit for sales of products and materials manufactured at and sold from said plants, at a sell-

ing price therefor equalling approximately the prices which Carnegie may at that time be receiving for similar products sold under generally similar conditions from other mills owned or operated by Carnegie and located in the same district as are the mills leased hereunder. Carnegie further agrees that in determining such net income any products and material transferred from the mills hereby leased to any other mills or plants owned or operated by Carnegie, shall be credited at a price therefor equal at least to prices it would receive if said products or materials were sold to any company affiliated with the United States Steel Corporation, but not owned or operated by Carnegie.

FOURTH.—The cost of additions, construction and improvements made by Carnegie to or on the property hereby leased shall, if the same be not included in determining the net income according to Section 3 hereof, be charged to Union and Union agrees to reimburse Carnegie therefor quarterly on the same dates as hereinbefore provided for settling the net income, provided, however, that Carnegie shall undertake no such additions, construction and improvements except under the express sanction of Union.

FIFTH.—This lease shall continue for a period of one year from the date hereof and thereafter until the same shall be terminated by either party giving unto the other six (6) months' notice of its intention so to terminate this lease. This lease shall not be assigned by Carnegie without the consent in writing of Union. All matters of dispute arising between the parties to this lease and agreement shall be referred to the Finance Committee of United States Steel Corporation as arbitrator, and its decision shall be final and binding upon the parties hereto.

SIXTH.—This lease is made by Union, and accepted by Carnegie, under and subject to the provisions of the Indenture between Union and New York Security & Trust Company, dated December 1st 1902.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed this second day of May, A. D. 1904."

CARNEGIE STEEL COMPANY,
By A. C. DINKEY,
President.

Attest:
W. W. BLACKBURN,
Secretary.

UNION STEEL COMPANY,
By RICHARD TRIMBLE,
Vice-President.

Attest:
W. J. FILBERT,
Secretary.

The Resolution was seconded by Mr. Bope and adopted by unanimous vote.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Monday, May 16th, 1904, there were present: MM. REED (Chairman), DINKEY, BOPE, BLACKBURN, SINGER, CLEMSON, MCCAUSLAND and KERR; also A. R HUNT and H. L. CLARK (Secretary to the Board). MM. SCHWAB, COREY, GARY and MURRAY absent.

* * *

BLAST FURNACE COSTS.

Mr. Dinkey read cost report for Pig Iron production during April, which he said was, in his opinion, the best that had ever been submitted. The Carrie Furnaces led the list with a labor cost of 42c., and a total operating cost of 98c. per ton. The other furnaces also showed very low costs in comparison

with last year's figures, and he felt that this improvement could not but have the effect of considerably reducing the cost of finished steel.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Monday, December 12th, 1904, there were present: MM. REED (Chairman), DINKEY, BOPE, BLACKBURN, SINGER, CLEMSON, MCCAUSLAND and KERR; also H. L. CLARK (Secretary to the Board). MM. SCHWAB, COREY, GARY and MURRAY absent.

* * *

STARTING OF PLANTS.

MR. DINKEY: The work of starting up our idle plants continues: the Mingo finishing mill goes on this week, and we are warming out one blast furnace at Donora expecting to put it in blast about the last week in this month. The Donora open hearths will not go one (*sic*) for a month or more after starting the Furnace—possibly not before February. We are also warming out the Columbus furnaces, and they may be on by the end of the year. This month's output of pig iron should be the largest in the Carnegie Steel Company's history.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, December 27th, 1904, there were present: MM. REED (Chairman), DINKEY, BOPE, BLACKBURN, SINGER, CLEMSON, MCCAUSLAND and KERR;

also A. R. HUNT and H. L. CLARK (Secretary to the Board). MM. SCHWAB, COREY, GARY and MURRAY absent.

* * *

DONORA FURNACES.

MR. DINKEY: We have arranged to light the first Donora Furnace on Tuesday of next week. The supply of mill pig iron has kept steadily decreasing so that it is absolutely necessary to bring those two furnaces in. The second furnace will be lighted about three weeks after the first one.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Monday, January 9th, 1905, there were present: MM. REED (Chairman), DINKEY, BOPE, BLACKBURN, SINGER, MCCAUSLAND and KERR; also A. R. HUNT and H. L. CLARK (Secretary to the Board). MM. SCHWAB, COREY, CLEMSON, GARY and MURRAY absent.

* * *

DONORA PLANT.

MR. DINKEY: We lit the first of the Donora blast furnaces last week and got a very good start. The other furnace is being warmed up but Mr. Corey wishes us to consult freely with him before lighting it, as he thinks we may be getting in too much capacity. The furnace could not be blown in before about the first of next month.

We are arranging to light three of the open hearth furnaces, which will take about three weeks' time, as it is necessary to burn bottoms into the furnaces.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Monday, January 23rd, 1905, there were present: MM. REED (Chairman), DINKEY, BOPE, BLACKBURN, SINGER, MCCAUSLAND and KERR; also A. R. HUNT and H. L. CLARK (Secretary to the Board). MM. CLEMSON, SCHWAB, COREY, GARY and MURRAY absent.

• • •

DONORA PLANT.

MR. DINKEY: We will light the first three open hearth furnaces at Donora next week. The blast furnace has made a very nice start, and the second one will likely go on next week.

• • •

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Monday April 3rd, 1905, there were present: MM. REED (Chairman), DINKEY, BOPE, BLACKBURN, SINGER, CLEMSON, MCCAUSLAND and KERR; also A. R. HUNT and H. L. CLARK (Secretary to the Board). MM. SCHWAB, COREY, GARY and MURRAY absent.

• • •

PURCHASE OF PIG IRON.

MR. DINKEY: We have bought 33,000 tons of pig iron for April delivery at $15.50—22,000 tons from the Association, 9,000 tons from Rogers, Brown & Company and the remainder from Cherry Valley. That is all the iron on the market.

• • •

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., on Monday, December 3rd, 1906, there were present: MM. REED (Chairman), BOPE, SINGER, BLACKBURN, MORRISON, CLEMSON and MCCAUSLAND; also A. R. HUNT and A. B. HARPER (Secretary to the Board). MM. DINKEY, KERR, COREY, GARY and DICKSON absent.

* * *

MR. BOPE: * * * The average price of pig iron for November was $22.81 covering sales of about 36,000 tons, which is enough to make a market. This will have the effect of advancing the price on our raw material contracts over the third quarter price nearly $3.00 per ton. It will make the majority of our billet contracts, Crucible for instance, pretty nearly $29.00 per ton, and Oliver will pay $30.00. When you consider that the price of finished material today is only $3.00 to $4.00 per ton above this figure, and considerable finished material is sold on old contracts at a much lower price than that of today, how these people can pay this price for their raw material is a pretty hard problem. I cannot but feel the price of pig iron is too high, yet it is legitimate because the demand is here. There is some pig iron being imported now, but I cannot say to what extent.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., on Monday, April 20th, 1908, there were present: MM. REED (Chairman), DINKEY, BOPE, SINGER, MORRISON, CLEMSON, KERR and MCCAUSLAND; also A. R. HUNT, JAS. J. CAMPBELL and A. B. HARPER (Secretary to the Board). MM. BLACKBURN, COREY, GARY and DICKSON absent.

* * *

MR. BOPE: The best news we have today is that Edgar Thomson started up last night, with the certainty that she can run at least four weeks at a moderate gait, and I believe within that time we will get sufficient business to keep her going all year. The railroads are evincing a little more interest, and when the Rail Committee accept their specifications this week there will be nothing whatever to prevent negotiations between the railroads and the mills.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., on Monday, September 21st, 1908, there were present: MM. REED (Chairman), DINKEY, BOPE, SINGER, CLEMSON, and MCCAUSLAND; also A. R. HUNT, JAS. J. CAMPBELL and A. B. HARPER (Secretary to the Board). MM. BLACKBURN, MORRISON, KERR, COREY, GARY and DICKSON absent.

* * *

MR. BOPE: The most satisfactory thing of the week has been the manner in which our bar specifications have been coming in. It was by far the best week in the past ten months, the specifications amounting to nearly 19,000 tons. We figure normal at 125,000 tons per month, so that this is about 65%. Our manufacturing customers are sending in very nice orders, and jobbing customers are beginning now to order for stock. This is really the most satisfactory line that we have.

Another interesting feature has developed recently, that there has been price cutting in both structural material and plates, some of the eastern makers not hesitating to say they have done so. While we have been getting our relative proportion of the tonnage placed in each line, it has been secured only by the hardest of hard work and is due to our organization scattered in every section of the country, and the tonnage that we have had, excepting in bars, has been simply an ac-

cumulation of small orders. With this price cutting uncovered now we believe it will cease.

* * *

At a Meeting of the Board of Directors of the

CARNEGIE STEEL COMPANY,

held at the General Offices of the Company, Carnegie Building, Pittsburg, Pa., on Monday, November 9th, 1908, there were present: MM. BOPE (First Vice President), SINGER, BLACKBURN, MORRISON, CLEMSON, KERR and MCCAUSLAND; also A. R. HUNT and A. B. HARPER (Secretary to the Board). MM. REED, DINKEY, COREY, GARY and DICKSON absent.

* * *

MR. BOPE: * * * No rail specifications came in during the week, but we are keeping Edgar Thomson running this week, No. 2 Mill making billets, some of which are for Clairton, and No. 3 Mill making light rails for stock. Some orders came in this morning which will give us a little tonnage for next week, but the outlook so far is not very promising. Our outstanding rail contracts today amount to 28,000 tons. A report got out last week that rails had been reduced $4 per ton and we had a great many inquiries regarding it, but the price for next year has been fixed, $28 for Bessemer and $30 for Open Hearth.

* * *

The following Minutes of the Directors of the United States Steel Corporation (Record, page 947 to page 948), are offered in evidence by the Petitioner under the foregoing stipulation, dated June 26th, 1912 (Volume II, Government Exhibits, page 359), for all purposes for which said Minutes are competent and relevant.

Each and all of said minutes are objected to by Counsel for said Defendants on the ground of incompetency, irrelevancy and immateriality.

UNITED STATES STEEL CORPORATION.
DIRECTORS' TWENTY-SIXTH MEETING.

NEW YORK, OCTOBER 7th, 1902.

The twenty-sixth regular meeting of the Board of Directors of the United States Steel Corporation was duly held at No. 71 Broadway, in the City of New York, on Tuesday, the 7th day of October, 1902.

The roll being called, the following Directors answered to their names:

William H. Moore,
Norman B. Ream,
Peter A. B. Widener,
James H. Reed,
Henry C. Frick,
William Edenborn,
Henry H. Rogers,
Elbert H. Gary,
Edmund C. Converse,
James Gayley,
Daniel G. Reid,
Robert Bacon,
Abram S. Hewitt.

In the absence of the President, Mr. E. H. Gary, the Chairman of the Executive Committee, occupied the Chair.

The minutes of the twenty-fifth meeting of the Board of Directors, held September 22nd, 1902, were submitted and

considered; and, on motion, duly made and seconded, it was, by the affirmative vote of all present:

RESOLVED: That the proceedings of the Board of Directors at its meeting held September 22nd, as the same are recorded in the minutes of such meeting, be, and hereby the same are, approved, ratified, adopted and confirmed.

The minutes of the meetings of the Finance Committee at its meetings held on September 9th, 16th, 23rd, 30th and October 7th were submitted and considered, and, on motion, duly made and seconded, it was, by the affirmative vote of all present:

RESOLVED: That the proceedings of the Finance Committee at its meetings held September 9th, 16th, 23rd, 30th and October 7th, as the same are recorded in the minutes of such meetings, be, and hereby the same are, approved, ratified, adopted and confirmed.

The Chairman of the Executive Committee presented a statement of the recommendations of the Executive Committee at its meetings held since the last regular meeting of the Board, which, upon motion, duly made and seconded, was approved and ordered to be placed on file.

The minutes of the meetings of the Executive Committee held September 9th, 16th and 23rd were submitted and considered; and, on motion, duly made and seconded, it was, by the affirmative vote of all present:

RESOLVED: That the proceedings of the Executive Committee at its meetings held September 9th, 16th and 23rd, as the same are recorded in the minutes of such meetings, be, and hereby the same are, approved, ratified, adopted and confirmed.

* * *

The following Minutes of the Finance Committee of the United States Steel Corporation (Record, page 949 to page 963) are offered in evidence by the Petitioner under the foregoing stipulation, dated June 26th, 1912 (Volume II, Government Exhibits, page 359), for all purposes for which said minutes are competent and relevant.

Each and all of said minutes are objected to by Counsel for said Defendants on the ground of incompetency, irrelevancy and immateriality.

NEW YORK, WEDNESDAY, SEPTEMBER 7TH, 1904.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Wednesday, September 7th, 1904, at 11 o'clock A. M.

Present: MESSRS. PERKINS (in the Chair), FRICK, REAM, COREY and GARY.

The minutes of the meeting held on August 30th were read, and, on motion, and by the affirmative vote of all present, were approved.

JUDGE GARY, for the Special Committee on contract with the

INTERNATIONAL HARVESTER COMPANY,

reported progress, and the Committee was continued.

* * *

A letter signed by Messrs T. F. Cole and W. J. Olcott was read recommending the

LEASE BY OLIVER IRON MINING COMPANY OF ORE PROPERTY

in the Mesaba Range, near Hibbing, situated in Lot 12, Section 6-58-15, where 640,000 tons of Bessemer ore had been located—the terms being a cash payment of $2,500 and 35 cents a ton royalty; lease to run for 30 years with a minimum

of 25,000 tons per year for the first 3 years and 50,000 tons thereafter. In addition, another letter from Mr. Gayley was read passing the recommendation along without approval as he considered the minimum too high. On motion, and by the affirmative vote of all present, the question was referred to Judge Gary with power.

* * *

NEW YORK, THURSDAY, NOVEMBER 10th, 1904.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Thursday, November 10th, 1904, at two o'clock P. M.

Present: MESSRS. PERKINS (in the Chair), GARY, WIDENER, FRICK, COREY and ROGERS.

* * *

The President read a letter from Mr. Perley, giving the result of his investigation of

STOCKS OF PIG AND SCRAP THROUGHOUT THE COUNTRY.

* * *

NEW YORK, TUESDAY, JANUARY 17th, 1905.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, January 17th, 1905, at two o'clock P. M.

Present: MESSRS. PERKINS (in the Chair), GARY, WIDENER, BACON, FRICK, COREY, PHIPPS and ROGERS.

* * *

The Special Committee on

LEASE OF CANISTEO ORE PROPERTIES,

reported that it had been decided to acquire from the Canisteo Ore Company their interests in ore on the Mesaba Range,

stated in correspondence heretofore submitted on a basis of $500,000 bonus to be paid in instalments and 37½ cents per ton royalty, with an increasing minimum, which will amount to 1,500,000 tons per year; and that the documents relating to the same were being prepared by the Counsel for the respective parties.

On motion, the report and action of the Special Committee were by vote unanimously approved, and the details referred to the Chairman of the Board, with power.

* * *

NEW YORK, TUESDAY, FEBRUARY 21st, 1905.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, February 21st, 1905, at two o'clock P. M.

Present: MESSRS. PERKINS (in the Chair), GARY, ROGERS, COREY and REAM.

* * *

On motion, duly seconded, the President was authorized to

BUY 40,000 TONS PIG IRON AT $15.50, FURNACE.

* * *

NEW YORK, TUESDAY, APRIL 4th, 1905.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, April 4th, 1905, at two o'clock P. M.

Present: MESSRS. PERKINS (in the Chair), GARY, FRICK, COREY, ROGERS, REAM, PHIPPS and WIDENER.

* * *

On motion, duly seconded, the President was authorized to

PURCHASE 33,000 TONS OF PIG IRON FOR APRIL DELIVERY

at not to exceed $15.50, Furnace.

* * *

NEW YORK, TUESDAY, OCTOBER 8th, 1907.

A meeting of the Finance Committee of the United States Steel Corporation was held at the office of the Corporation, in the City of New York, on Tuesday, October 8th, 1907, at two o'clock P. M.

Present: MESSRS. GARY (in the Chair), FRICK, PERKINS and REAM.

The minutes of the meeting held on October 1st were read, and, on motion, duly seconded, and by the affirmative vote of all present, were approved.

The Chairman, for the Special Committee on

NATIONAL WIRE CORPORATION,

at New Haven, Connecticut, reported that bid of $650,000 for the whole plant had been accepted.

* * *

The Chairman read a letter from Mr. Gayley reporting that 7.½ million tons of ore running 60 per cent in iron and .04 per cent in phosphorous had been disclosed on Parcel 7 of the Walker lands.

* * *

NEW YORK, THURSDAY, FEBRUARY 24th, 1910.

A meeting of the Finance Committee of the United States Steel Corporation was duly held at the office of the Corporation, in the City of New York, on Thursday, February 24th, 1910, at two o'clock P. M.

Present: Messrs. Gary (in the Chair), Corey, Frick, Morgan and Perkins.

* * *

On motion, the question of

Purchase by Subsidiary Companies of From 25,000 to 50,000 Tons of Pig Iron

was referred to the Chairman and President, with power.

* * *

New York, Tuesday, December 20th, 1910.

A meeting of the Finance Committee of the United States Steel Corporation was duly held at the office of the Corporation, in the City of New York, on Tuesday, December 20th, 1910, at two o'clock P. M.

Present: Messrs. Gary (in the Chair), Baker, Corey, Frick, Perkins, Phipps, Ream and Widener.

The minutes of the previous meeting held on December 13th were read, and, on motion, duly seconded, and by the affirmative vote of all present, were approved.

The Chairman, for the Special Committee on

Walker Lands,

reported that the purchase approved December 13th, 1910, had been concluded; and, also, that the Committee had made a further purchase of another Walker tract, being an undivided one-half interest and containing about 1,140,000 tons of ore, as shown in maps, explorations and drillings submitted for the price of ten cents per ton. On motion, duly seconded, the report was approved and adopted.

* * *

The following Minutes of the Auditors of the United States Steel Corporation (Record, page 954 to page 955), are offered in evidence by the Petitioner under the foregoing Stipulation, dated June 26, 1912 (Volume II, Government Exhibits, page 359), for all purposes for which said minutes are competent and relevant.

Each and all of said minutes are objected to by Counsel for said Defendants on the ground of incompetency, irrelevancy, immateriality and hearsay.

UNITED STATES STEEL CORPORATION.

MINUTES OF AUDITORS' MEETING,

HELD AT NEW YORK, DECEMBER 8-9, 1904.

The Meeting convened at 10:30 A. M., with the following gentlemen present, representing the Companies named below:

W. J. Filbert, Comptroller Jos. H. Craig, Assistant Comptroller A. W. Vogt C. A. Shinn	United States Steel Corporation,
Jas. J. Campbell, Auditor F. B. Thompson, Assistant Auditor	Carnegie Steel Company,
T. J. Hyman, Secretary and Treasurer H. Morrison, Examiner of Costs	Illinois Steel Company.
H. M. Davies, Auditor	Lorain Steel Company.
B. C. Moise, Auditor	National Tube Company,
J. M. Shaw, Auditor	Shelby Steel Tube Company,
C. A. Vogt, Auditor	American Steel & Wire Company,
H. L. Austin, Auditor	American Sheet & Tin Plate Company,
W. M. Jeffery, Auditor	Oliver Iron Mining Company,
J. L. Mullin, Assistant Auditor	Pittsburg Steamship Company,

C. P. Parker, Auditor	H. C. Frick Coke Company,
J. L. Lowther, Secretary and Treasurer	National Mining Company,
E. S. Kempton, Treasurer	Duluth, Missabe & Northern Railway Co.,
H. Johnson	Duluth & Iron Range R. R. Co.,
F. W. Sutton, Auditor	Elgin, Joliet & Eastern Railway Co.,
	Chicago, Lake Shore & Eastern Ry. Co.,
D. Hum, Jr., Auditor	Bessemer & Lake Erie R. R. Co.,
W. J. Post, Auditor	Union Railroad Company.

* * *

PLANTS—ABANDONMENT OF.

This is a question of the accounting necessary in abandoning and scrapping a Plant. Mr. Filbert said the matter had been brought up by the Chartered Accountants and he had taken the ground that while we had only credited back to Plant the net value of the salvage and real estate disposed of, it was not necessary to do anything further as we had put very large sums into the construction of other Plants, which offset many times the value of the Plants abandoned, and, therefore, if anything, we have written down the Property Account by a greater sum than they could possibly have depreciated. Our own people are now taking this question up, however, and he would be glad to have the Auditors' views on the subject. He asked if each Auditor knew that so far as his own Company was concerned, it has amply protected itself by simply crediting back to Property the salvage from abandoned Plants.

It was stated that often the principal consideration about the purchase and later abandonment of a certain Plant was the fact that by getting the Plant we were able to eliminate its competition, and that it was hard to estimate what amount

to set up for good will; that the location of Plants must also be taken into consideration, and that the proposition was now very different from what it was before the Corporation was formed. It was thought that each Company was constantly increasing the value of its Properties by improvements, which were paid from their earnings; that the increase in productive capacity would show that the Plants, considered as a whole, were worth more now than previously, even though an isolated Mill or Plant is occasionally dismantled and scrapped. Mr. Filbert said that Auditors should be able to say at any time the question comes up that such is a fact, and substantiate it by figures.

* * *

The following Minutes of the Executive Committee of the United States Steel Corporation (Record, page 956 to page 974) are offered in evidence by the Petitioner under the foregoing Stipulation, dated June 26th, 1912 (Volume II, Government Exhibits, page 359), for all purposes for which said Minutes are competent and relevant.

Each and all of said minutes are objected to by Counsel for said Defendants on the ground of incompetency, irrelevancy and immateriality, and upon the further grounds that they are not authenticated or approved by the Executive Committee or the Directors, are not authorized by statute or the by-laws of the Corporation, and are mere memoranda kept by the clerks and not in any way adopted or approved by the Executive Committee or the Board of Directors.

EXECUTIVE COMMITTEE MEETING, APRIL 10TH, 1901.

PRESENT, MESSRS. E. H. GARY, Chairman, C. M. SCHWAB, D. G. REID, WILLIAM EDENBORN, E. C. CONVERSE, PERCIVAL ROBERTS.

POLICY OF U. S. STEEL CORPORATION AS TO RAILROADS, ESPECIALLY WITH REGARD TO FREIGHT RATES ON RAW MATERIAL AND PRODUCTS.

The President in introducing this question, made the following statements: The railroad people are to have a meet-

ing to decide the rate that they shall charge on ores from the lakes to the Valley and Pittsburgh and that the question is, ought we to insist upon the railroads giving us the lowest rate that we can get out of them; or what ought to be our policy. The President thinks that we ought to consent to any ore rate that they may name for the benefit of the railroads provided they will give our companies equivalent values in the shipment on any other product.

Mr. Converse is of the opinion that it is far better to have a high rate, just as high as it can be, if they will give us some definite and distinct rebate or preference in some other way.

President Schwab is of the opinion that you cannot get better rates than any one else from a certain railroad.

The Chairman stated that we cannot afford to take the position of asking any railroad directly or indirectly to discriminate in our favor.

President Schwab thinks it not unlikely that a railroad might rely upon certain financial influences to get better rates for the material that is to be shipped over the railroads. In this connection, he makes the comment that we ought to run this as the United States Steel Corporation.

The Chairman stated that he thinks we ought to pay them reasonable rates.

Mr. Roberts believes in working in harmony with the railroads.

Mr. Schwab stated that the rate on our own railroad can be made what we like.

The Chairman thinks that we should not decide arbitrarily as to the fixing of the rate without first taking it up with the railroad Presidents who would very likely be willing and glad to take it up with our people to see what is fair.

President Schwab commented that he thought it unfair for railroads to take the position that they should charge steel companies more than others because they can stand it.

It was finally agreed that President Schwab invite the railroad people to a conference and report the result of the meeting to this committee later.

Improvements at Different Plants
with Reference to this Committee Passing upon Same, &c.

Mr. Schwab asks if this committee wants all improvements referred here no matter how small.

The Chairman thought that every new improvement ought to be referred here; that it is a question that will be very carefully considered by our associates in the United States Steel Corporation; that we cannot approve very many expenditures that are not absolutely necessary by the constituent companies until after a certain sum of money has been realized for the payment of dividends.

Mr. Roberts expressed the opinion that if you give any Manager any leeway in small matters, he ought to be limited in amount as to every quarter's expenditures.

The President believes that you may limit the amount as you wish, but it seems to him that the responsibility of deciding these minor questions ought to rest with the Presidents of the companies.

Mr. Converse thinks that you must not limit the action of the Presidents too much.

After a little discussion on the above lines, an expression of opinion was called for and resulted as follows:

The Chairman believes that every expenditure, which is not charged to Expense Account, should be reported to the President of this company before it is made or authorized; and that every expenditure, even if it is charged to Expense Account, if it exceeds $5,000, should be reported to the President of this company *before* it is made or authorized.

Mr. Roberts takes the same view.

The President said that he ought to be able to say to the Presidents of the various companies that money spent for the maintenance of plants, which is charged into the running expense or costs of the plant, should be expended by the Presidents entirely on their decision regardless of the amount; that the Presidents be authorized to approve expenditures for new improvements to the extent of $10,000, without reference to this committee but that same shall be reported to this committee.

MR. REID agrees exactly with the position taken by the President.

MR. EDENBORN thinks that until after consultation with this company, the Presidents ought to be limited both in new construction and maintenance expenditures to $10,000. in any one sum.

MR. CONVERSE is in accord with the views of the President and suggests that reports should be made by the different Auditors every month to this company so that it could be ascertained if any one man was spending too freely.

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EXECUTIVE COMMITTEE MEETING, APRIL 11TH, 1901.

PRESENT: MESSRS. E. H. GARY, Chairman, C. M. SCHWAB, D. G. REID, WILLIAM EDENBORN, E. C. CONVERSE, PERCIVAL ROBERTS.

* * *

SALES OF ORE TO JONES & LAUGHLINS:

A letter written by Willis King to the Chairman was presented by the latter and the committee decided that the President of this company be requested to write to Jones & Laughlins that the mining companies controlled by this company will not have for sale during the coming year any Old Range ores; that it will, if desired, sell to Jones & Laughlins 250,000 to 300,000 tons Mesaba Ore for the ensuing year; and will, if desired, enter into an arrangement for a further supply of Mesaba Ore at a fair price.

CHANDLER ORE TO CAMBRIA STEEL COMPANY.

The Chairman called the attention of the committee to the fact that Samuel Mather had promised 75,000 tons of Chandler Ore to the Cambria people and that they now wanted 100,000 tons. The committee authorized a reply to Mr. Mather's proposition to the effect that the additional quantity could not be supplied.

* * *

EXECUTIVE COMMITTEE MEETING, APRIL 24TH, 1901.

* * *

CONFERENCE OF RAILROAD PRESIDENTS
WITH PRESIDENT SCHWAB,
Apr. 23, 1901.

The President reported that he has had a conference with the railroad Presidents of the different lines handling our products with reference to the rates on carriage of ore, coke and finished steel articles. The result was that they are going to appoint three persons who are thoroughly familiar with all these items of transportation and they are to meet three appointed by ourselves. This committee will take up this matter and devise some plan which will be submitted to us and the railroad people as the basis on which we were to consider this question of rates.

This plan was approved by the committee. It was suggested by the Chairman that Mr. Keefe of the American Steel & Wire Company, Mr. Banks, of the Elgin, Joliet & Eastern Railway and a representative from the Carnegie Company compose this committee. This was approved. The President suggests that this committee collect all the data possible from every direction and that they should consult the traffic men of the different companies.

* * *

EXECUTIVE COMMITTEE MEETING, JUNE 26TH, 1901.

PRESENT: MESSRS. E. H. GARY, C. M. SCHWAB, CHARLES STEELE, WILLIAM EDENBORN, D. G. REID, E. C. CONVERSE.

AMERICAN TIN PLATE COMPANY
APPROPRIATION FOR OPERATIONS
IN THE EAST INDIES:

By request of the Executive Committee, Mr. Morris Lancaster was present to give some information respecting the proposition contained in letter dated June 20th, 1901, ad-

dressed to President Schwab by First Vice-President W. T. Graham, a copy of which was sent to each member of the committee. Mr. Graham, was also present. Mr. Lancaster has recently returned from Penang in the Straits Settlement, where he was located in the interests of the American Tin Plate Company.

The following information was given to the committee:

The American Tin Plate Company is an annual purchaser of about 8,000 tons of pig tin and it is now paying 28¼ cents per pound. At this figure, on basis of ordinary price of labor, there is a profit of 14 cents per pound. The price of pig tin is fixed by manipulation, it is said, and the Straits Trading Company is the principal factor in regulating that. The American Tin Plate people believe if they were permitted to expend about $105,000, in addition to what they have already laid out in the purchase of land, it would be sufficient to enable them to establish a smelting plant and go into the business of producing pig tin. In addition to the sum named, there would be required about $250,000. to $300,000. in capital to run the plant they purpose to erect. They believe that the company will then be in position to earn more money by this expenditure than it could in any other way; and further the company would have a voice in the matter of fixing the price of tin, and as the price of ore follows the price of tin, it would be able to secure its ore accordingly. It is also intimated that should such a plant be established, it is quite probable that it would eventually mean the securing control of the Straits Trading Company and thus obtain control of the market. It is stated that the erection of the smelter is not a proposition to make any money by its operation save indirectly by fixing the price of tin and consequently the price of ore. It was brought out that they are in the dark as to what supply of ore is in the ground; the ore is in deposits like manganese ore. There is no way to secure control of supply of ore; it is all mined by Chinamen and considerable capital is invested by them. Some Chinamen do smelting.

After some discussion, it was finally moved by Mr. Steele, duly seconded and voted, that we recommend that the American Tin Plate Company be permitted to purchase one or the

other of the two sites, but only one, and that further consideration of the construction of a smelter be postponed.

ADJOURNMENT. To Tuesday, July 2nd, 1901.

EXECUTIVE COMMITTEE MEETING, DECEMBER 3RD, 1901.

PRESENT: MESSRS. E. H. GARY, Chairman, CHARLES M. SCHWAB, PERCIVAL ROBERTS, JR., E. C. CONVERSE, D. G. REID.

AMERICAN CAN COMPANY.

The President stated that he had invited Mr. W. T. Graham, President of the American Tin Plate Company to state to the Committee his views upon the matter of concession to the American Can Company already referred to in previous meetings of the Committee. (See page 113). Mr. Graham stated that the American Can Company desired to place an order with the American Tin Plate Company for a definite amount of plates to be delivered in the first quarter of 190[illegible] and that the American Can Company now asks some concession in the prevailing price on this order. After some discussion it was finally moved, seconded and voted that the President recommend that Mr. Graham make the price $3.7[illegible] per box on the proposition submitted. The President, Mr. Converse and Mr. Reid voted in the affirmative and the Chairman and Mr. Roberts in the negative.

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EXECUTIVE COMMITTEE MEETING, THURSDAY, APRIL 17TH, 190[illegible]

* * *

Mr. Schwab was called to the chair.

* * *

AMERICAN IRON & STEEL ASSOCIATION.

APPROPRIATION.

The President stated that heretofore all of our constituent companies were in the habit of making separate contribu-

tions annually to this association, and he suggested that hereafter this be done by the United States Steel Corporation.

Upon motion, duly seconded, this was approved.

* * *

PRESSED STEEL CAR COMPANY.
GEORGE A. FULLER COMPANY.

The President stated that the George A. Fuller Company is a very large user of structural steel, and one of our good customers, and that they are very prosperous; that one-third of the pressed steel plates used in America is taken by the Pressed Steel Car Company; that there is a movement on foot in Philadelphia to purchase the control of these two companies, but he does not know whether it will be effected; that the control is sought by eastern plate makers, and that if carried out it would be very unfortunate for the United States Steel Corporation. The President intimated that probably it might be well to see what can be done towards acquiring a controlling interest in those companies. Mr. Reid thought that it would be very wise for the United States Steel Corporation to stand in line and get as much finished work as possible. It was finally decided to allow the matter to remain in abeyance for the present.

* * *

EXECUTIVE COMMITTEE MEETING, TUESDAY, SEPTEMBER 16TH, 1902.

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The Chairman stated that the principal thing to come before the meeting to-day is the request from the American Steel & Wire Company for the approval of the expenditures hereinafter mentioned:

AMERICAN STEEL & WIRE CO.
NEWBURGH WORKS, CLEVELAND O.

An appropriation of $55,000 for the installation of a 50 ton stationary Basic Open Hearth Furnace and including the

cost of the necessary extension of building to provide for the removal of the Steel foundry. (To be charged to "CONSTRUCTION").

* * *

EXECUTIVE COMMITTEE MEETING, TUESDAY, OCTOBER 14TH, 1902.

* * *

AMERICAN STEEL & WIRE COMPANY.
CROWN POINT FURNACE.

Mr. Gayley stated that he had received a letter from President Palmer in regard to the matter of disposing of the Crown Point Furnace, exclusive of the property, and that Mr. Palmer informs him they do not ever expect to use this plant, and would like to dispose of it at the very best price obtainable. Mr. Gayley stated that it is merely a scrap proposition.

Upon motion, duly seconded, it was voted that the foregoing sale be recommended to the Finance Committee.

* * *

EXECUTIVE COMMITTEE MEETING, TUESDAY, NOVEMBER 11TH, 1902.

Present: MESSRS. E. H. GARY, Chairman, GEORGE W. PERKINS, CHARLES STEELE, WILLIAM EDENBORN, E. C. CONVERSE, D. G. REID, JAMES GAYLEY.

* * *

PRICE REDUCTION ON FINISHED PRODUCTS.

The Chairman submitted to the meeting the communications he had received from President McMurtry, President Graham and President Schiller, under date of the 10th instant, concerning the recent reduction in the prices of finished products of the American Sheet Steel Company, American Tin Plate Company and the National Tube Company.

Upon motion, duly seconded, it was voted that this Committee hereby recommends the action suggested by President McMurtry in his letter to the Chairman, dated the 10th instant.

ADJOURNMENT.

EXECUTIVE COMMITTEE MEETING, TUESDAY, NOVEMBER 25TH, 1902.

Present: MESSRS. E. H. GARY, Chairman, GEORGE W. PERKINS, WILLIAM EDENBORN, E. C. CONVERSE, JAMES GAYLEY.

ELGIN, JOLIET & EASTERN RAILROAD.
ELEVATOR COMPANY.
FRAZIER, BARTLETT & CO.

The Chairman stated that Messrs. Frazier, Bartlett & Co., of Chicago, have three elevators on the line of our E. J. & E. road, and that they will have to quit the warehouse business because of certain trade regulations; that as the road does not want to lose the business it has been suggested that a company of small capitalization be formed to operate these elevators as public elevators—the United States Steel Corporation to own the stock. The Chairman explained that this will not change the revenue at all, and it will meet the requirements of the law.

Upon motion, duly seconded, it was voted that the whole matter be referred to the Chairman of the Executive Committee with power.

CHAMPION MINE,
MARQUETTE RANGE,
MICHIGAN.

Mr. Gayley presented a letter from Mr. C. D. Fraser, Secretary of the Oliver Iron Mining Company, under date of the 24th instant, concerning the matter of proposed purchase

of the stock of the Champion Iron Mining Company. Mr. Gayley stated in substance: That the property is located close to the property of our Lake Superior company, near Ishpeming, Michigan; that the ore is a specular ore and quite rich; that the property contains a large bed of ore; that nearly a year ago an offer was made to the Champion Iron Mining Company that we would lease their property and pay them .50 a ton royalty, which was declined; that on the basis of two million tons of ore in the ground and at .50 a ton royalty, it would return to us the cost of the investment; that the mine is well equipped and would require no timbering; that there are 20,000 acres of unexplored land included, a good portion of which is located on the ore formation; that it is probable a great deal more ore will be found on the unexplored land; that the ore can stand $1 a ton charge as royalty at the present market price of $4.60 and show a good profit.

Mr. Gayley feels satisfied that the property will be taken up by some of the Cleveland interests, or perhaps by the new Sharon-Union company in Pittsburg, and he would much prefer to see it with this corporation rather than with its competitors. Mr. Gayley believes that if the Finance Committee is willing to spend the money the purchase is an absolutely safe one.

Mr. Fraser's letter states that the entire capital stock is 20,000 shares of $25 each, or $500,000; that the President of the Champion company is having the stock deposited with him to be sold at not less than $70 a share, and that he now has 15,000 shares, and expects to secure every share; that the President informs him that a satisfactory offer from us might purchase the property. Mr. Fraser's suggestion is that an offer of $70 per share be made for all the stock, or not less than 80%, coupled with their guarantee of the claimed cash surplus of $400,000, and of an ore body of two million tons of ore, 40% of which to be first grade. Mr. Fraser thinks that an offer of $1,000,000 might obtain the property.

The Chairman stated that that kind of ore is scarce and we have use for it, and that we do not want our competitors to get it.

Upon motion, duly seconded, it was voted that the purchase be recommended to the Finance Committee.

PROFIT SHARING.

The proposed plan of profit sharing was again presented for consideration and discussed.

ADJOURNMENT.

EXECUTIVE COMMITTEE MEETING, TUESDAY, DECEMBER 2ND, 1902.

Present: MESSRS. E. H. GARY, Chairman, GEORGE W. PERKINS, CHARLES STEELE, WILLIAM EDENBORN, E. C. CONVERSE, JAMES GAYLEY.

CHAMPION MINE, MARQUETTE RANGE, MICHIGAN.

Mr. Gayley again called the attention of the Committee to the desirability of our acquiring the property of the Champion Iron Mining Company and stated that President Cole has not only studied the maps of the property but has gone down into the mines and reports that he is satisfied that the mine ought to produce four million tons and agrees with Mr. Gayley that we ought to get this property.

The Chairman pointed out that this mine would be worth more to the Illinois Steel Company than any one else because of the low freight rate from Ishpeming to Chicago.

In answer to Mr. Steele's inquiry as to how Mr. Gayley felt on the subject of purchases of ore lands, Mr. Gayley replied that he would buy every pound of ore and every piece of ore property he could get in the northwest. Mr. Converse stated that he would like it to go on record that he was of the same opinion. Mr. Gayley called attention to the fact that the explorations west of the Missabe and Vermillion Ranges showed no ore. Mr. Perkins believes we ought to get this property but not on the present terms. Mr. Converse said he supposed it would be the policy to replace what we took out every year in order to keep the 50 years' supply before us as far as possible. The Chairman said he thought we ought to take in these properties at fair prices. Mr.

Perkins suggested that Mr. Fay be invited to come here and meet the Chairman and Mr. Gayley.

Upon motion, duly seconded, it was voted that the whole matter be referred to the Chairman and the First Vice President to investigate and report.

* * *

EXECUTIVE COMMITTEE MEETING, TUESDAY, DECEMBER 9TH, 1902.

PRESENT: MESSRS. E. H. GARY, Chairman, GEORGE W. PERKINS, CHARLES STEELE, D. G. REID, WILLIAM EDENBORN, JAMES GAYLEY.

CHAMPION MINE, MARQUETTE RANGE, MICHIGAN.

Mr. Gayley stated that since the last meeting of this Committee when the matter of proposed purchase of the property of the Champion Iron Mining Company was referred to the Chairman and Mr. Gayley, an option, expiring December 17th, to purchase 17,000 shares, more or less, at the price of $75 per share, on the terms and conditions stated in said option, had been secured from Mr. Fay; and that if the option were accepted it would require the payment of $50,000 down and the balance before March 17th next.

Upon motion, duly seconded, it was voted that this Committee hereby reaffirms its previous recommendation to purchase the property.

* * *

EXECUTIVE COMMITTEE MEETING, THURSDAY, JANUARY 8TH, 1903.

PRESENT: MESSRS. E. H. GARY, Chairman, GEORGE W. PERKINS, JAMES GAYLEY.

ELK CREEK & DOCK PROPERTY

AND

CONNELLSVILLE CENTRAL RAILROAD COMPANY PROPERTY.

The Chairman stated that the original purpose of this meeting was the consideration of the matter of the purchase

of the Elk Creek & Dock property and of the property of the Connellsville Central Railroad Company now under option to this corporation under the agreement with Mr. Mellon, and called attention to the fact that at the last meeting of this Committee the matter had been referred to the Chairman of the Finance Committee and the Chairman of this Committee.

The Chairman thereupon reported that inasmuch as the regular meeting of the Finance Committee would not take place until after the option had lapsed, he had, with the approval of the Chairman of the Finance Committee, recommended the purchase of the properties to the Finance Committee and now desired to have the formal approval of the Executive Committee therefor.

Upon motion, duly seconded, it was voted that the foregoing action of the Chairman be, and hereby it is, approved.

ADJOURNMENT.

EXECUTIVE COMMITTEE MEETING, TUESDAY, FEBRUARY 17TH, 1903.

PRESENT: MESSRS. E. H. GARY, Chairman, CHARLES STEELE, JAMES GAYLEY.

* * *

AMERICAN STEEL & WIRE COMPANY.
ADVANCE IN PRICES.

Mr. Gayley stated that the American Steel & Wire people feel that the price of their standard wire products should be advanced about $2 a ton; that the trade is looking for it and that this is really only a partial restoration of the prices reduced some time ago.

* * *

EXECUTIVE COMMITTEE MEETING, TUESDAY, MARCH 17TH, 1903.

PRESENT: MESSRS. E. H. GARY, Chairman, CHARLES STEELE, E. C. CONVERSE, W. B. DICKSON.

* * *

PIG IRON CONTRACTS WITH VALLEY FURNACES.

Mr. Dickson stated that on January 1st we had due on our various contracts about 116,000 tons of Bessemer iron at various prices, most of it from the furnaces in the Mahoning and Shenango Valleys, Ohio; that in almost every case we had contracts to deliver coke through the H. C. Frick Coke Company to these furnaces, and their Managers now claim that because of our failure to deliver the coke they are not obliged to make deliveries of iron; that President Lynch calls attention to our discrimination against these furnaces in favor of our own in the matter of deliveries of coke.

On motion of Mr. Steele, duly seconded, it was voted that the matter be referred to President Corey to make the best settlement he can.

ADJOURNMENT.

EXECUTIVE COMMITTEE MEETING, TUESDAY, MAY 5TH, 1903.

PRESENT: MESSRS. E. H. GARY, Chairman, C. M. SCHWAB, GEORGE W. PERKINS, E. C. CONVERSE, WILLIAM EDENBORN, D. G. REID, JAMES GAYLEY.

* * *

PURCHASES OF PIG IRON

FOR JULY, AUGUST AND SEPTEMBER, 1903.

The President stated that he would like to obtain the views of the Committee in regard to the advisability of the

purchase of about 30,000 tons of pig iron at $18.50 for the third quarter of 1903, and for which we would exchange coke at the rate of $3 per ton; that we will require about 100,000 tons in that quarter; that he believes we ought always to be buyers of some pig iron; that it would be better to even shut down some of our high priced furnaces and be purchasers, that the price of finished steel products being regulated by the price of pig iron, we ought not to be endeavoring to get the cheapest iron; that we ought to maintain the price by little purchases; that $1 a ton is such a little thing compared with the advantages we receive in the finished products; that if we had purchased pig iron there would not have been the present downward tendency in it.

THE CHAIRMAN: I would not be in favor of making the purchase. The price for our coke should be $3.50. We have bookings enough now to justify us in the purchase of 30,000 tons for those months, but can we spare the coke? I do not think we ought to buy pig iron at prices considerably higher than the price will be when we need the iron. I would hope that the business conditions are such that next July and August we have to buy pig iron at $18.50 or $19 a ton, but I do not think it is necessary to buy it now. The price advanced from $16 to $21 because of its scarcity but the price of finished steel did not advance. I would like to see pig iron sift down to about $16.50 and stay there.

MR. GAYLEY: The first contract made for coke was at $3.50. The Inter-Company price is $2.60 plus. I think we ought to hold the price of pig iron at $18.50 and that it is important for us to stay in the market and buy at $18.50; and rather than miss the deal I would recommend the exchange on the basis of $3 a ton for coke.

Upon motion, duly seconded, it was voted that the matter be placed in the hands of the President to act.

ADJOURNMENT.

EXECUTIVE COMMITTEE MEETING, TUESDAY, MAY 12TH, 1903.

PRESENT: Messrs. E. H. GARY, Chairman, C. M. SCHWAB, CHARLES STEELE, E. C. CONVERSE, WILLIAM EDENBORN, JAMES GAYLEY.

* * *

PURCHASES OF PIG IRON.

In regard to the proposition to purchase pig iron for the third quarter of this year, the President stated in substance: That he believes we ought to purchase 75,000 to 100,000 tons at the best price we can; that this would be advantageous at present prices because of the large amount of finished material we sell at prices dependent upon the price of pig iron; and therefore we ought not to endeavor to put down the price of the iron; that the proposed purchase would not be at all speculative because we have sold the steel to be made from it.

THE CHAIRMAN: It seems to me $18. is a good big price. I am very well satisfied to have the market sustained. I agree with you that we are interested in having pig iron maintained, but I think we ought to be satisfied with $18.

MR. GAYLEY: I would rather buy it at $19.

THE PRESIDENT: I would favor $19. or $18.50.

Upon motion, duly seconded, the matter was referred to the Finance Committee.

* * *

MONROE ORE PROPERTY.
CHEMUNG IRON COMPANY.

Mr. Gayley submitted the following:

The Monroe property which was acquired through the Chemung Iron Company, controlled by Henry W. Oliver and others, contains about 25,000,000 tons of ore and the lease has 28 years to run. On this we are paying fifty cents a ton royalty. The lease on this ore property owned by the Chemung Iron Company carries with it a traffic contract to

the Eastern Minnesota Road. It was the intention of the Chemung Company to obtain a surrender of this lease and have a new lease executed without the traffic contract which would leave the property free of any traffic obligation, but the various plans presented do not seem practicable for accomplishing this. In carrying out this scheme, as it was the intention of the Chemung Company, Mr. Oliver proposes to purchase the fee of this property on behalf of the Chemung Company, cancelling the lease, and selling the fee to us on the basis of thirty cents per ton of merchantable ore shown up in the property; bonds to be issued for the same as in the case of the ore properties which we got through the Union-Sharon deal. In accordance with Mr. Fraser's figures, as the lease has 28 years to run, on a basis of fifty cents a ton royalty this royalty on the basis of 4% for the period of the lease has a present cash value of thirty cents per ton. The securing of the property therefore on this basis would not cost more than on the present basis and we will be sure of the traffic contract on the ore, which will net us thirty-five cents per ton. In other words, by securing the traffic contract we secure the ore in this property free of royalty, the profit on the traffic contract more than compensating for the royalty.

Upon motion duly seconded the foregoing proposition was recommended to the Finance Committee.

ADJOURNMENT.

EXECUTIVE COMMITTEE MEETING, TUESDAY, MAY 26TH, 1903.

PRESENT: Messrs. E. H. GARY, Chairman, C. M. SCHWAB, CHARLES STEELE, JAMES GAYLEY, E. C. CONVERSE.

* * *

PURCHASES OF PIG IRON.

The President reported the purchase of about 40,000 tons from the Valley Furnaces and 30,000 tons from Mr. Snyder

at $18.50, with the privilege of cancelling any portion not shipped by the 1st of October. The President stated that he believes the purchase at this time has been a very wise thing.

* * *

EXECUTIVE COMMITTEE MEETING, TUESDAY, JUNE 2ND, 1903.

PRESENT: Messrs. E. H. GARY, Chairman, C. M. SCHWAB, DANIEL G. REID, E. C. CONVERSE, JAMES GAYLEY, CHARLES STEELE.

* * *

FAY OPTION.
MESABA ORE LANDS.

Mr. Gayley presented the matter of proposition to purchase the lease of property owned by Mr. Fay on the Mesaba Range, situated in Section 22, 58-20, on the following basis, viz:

To pay him $50,000. in cash at the time we take over the option, and we would have six months in which to explore the property; and when we call for a lease we are to pay him five cents per ton bonus on all ore shown up, not to exceed a total amount, however, of $125,000., including the $50,000. paid in advance. Mr. Fay's lease calls for 25c. royalty, 50,000 tons minimum and runs for thirty years. Mr. Gayley recommended the obtaining of the foregoing lease.

The Chairman stated that he approved of it and suggested that Mr. Gayley and Mr. Cole write a letter recommending it in order that the Finance Committee would have a record of it when it came before them to-day.

Upon motion, duly seconded, it was voted that the foregoing proposition be recommended to the Finance Committee.

ADJOURNMENT.

The following minutes of the Board of Managers and Shareholders of CARNEGIE BROTHERS & COMPANY, Limited, (Record, page 975 to page 977), are offered in evidence by the petitioner, under the foregoing stipulation, (Volume II Government Exhibits, page 359), dated June 26, 1912, for all purposes for which said minutes are competent and relevant:

Each and all of said minutes are objected to by counsel for said Defendants on the ground of incompetency, irrelevancy and immateriality.

At a meeting of the Board of Managers of

CARNEGIE BROTHERS & COMPANY, LIMITED,

held at the Association Branch Offices, 48 Fifth Ave., Pittsburg, Pa., at 1:30 P. M. on Tuesday, Jan. 14th, 1890, there were present MESSRS. FRICK, (Chairman), LEISHMAN, CURRY, ABBOTT and SINGER.

On motion, the following Resolution was adopted:

RESOLVED, that this Association, as one of the Members of the Bessemer Steel Company, Limited, hereby assents to and votes in favor of the election of the Illinois Steel Company, as a Member of the said Bessemer Steel Company, Limited, in the place and as the Assignee of the Joliet Steel Company.

* * *

At a Meeting of the Shareholders of

CARNEGIE BROTHERS & COMPANY, LIMITED,

held at the Association Branch Offices, 42-48 Fifth Avenue, Pittsburg, March 25, 1892, there were present MESSRS. CARNEGIE, FRICK, LEISHMAN, CURRY, PALMER, CHILDS, ABBOTT, SINGER and LOVEJOY, also MR. UTLEY.

Mr. Frick acted as Chairman.

On motion, (MM. Andrew Carnegie and W. H. Singer), it was

RESOLVED, That it is the opinion of the Shareholders

present that the interests of the partners in the Carnegie Associations will be best served by a consolidation into one Limited Partnership Association of the Works, Properties and business of Carnegie Brothers & Co., Limited, Carnegie, Phipps & Co., Limited, the Keystone Bridge Company, The Allegheny Bessemer Steel Company, and The Hartman Steel Company, Limited; and

RESOLVED; Subject to the approval of absent members, that such consolidation be arranged, to take effect July 1, 1892; and

RESOLVED; That such consolidation be effected as follows:

(A) By an increase in the Capital of Carnegie Brothers & Co., Limited, to such an amount as shall approximately cover a fair appraisement, (to be made as hereinafter provided), of the Real Estate, Works, Properties and Investments of Carnegie Brothers & Company, Limited, Carnegie, Phipps & Co., Limited, The Keystone Bridge Company, The Allegheny Bessemer Steel Company and The Hartman Steel Company, Limited, together with the net amount of cash realized from a liquidation of the business of the several retiring Associations and Companies;

(B) By the purchase, by Carnegie Brothers & Company, Limited, at the appraised value, of the Real Estate, Works, Properties and Investments of Carnegie, Phipps & Co., Limited, The Keystone Bridge Company, The Allegheny Bessemer Steel Company and The Hartman Steel Co., Limited; and

(C) By a change of the Association name and title from Carnegie Brothers & Co., Limited, to

THE CARNEGIE STEEL COMPANY, LIMITED;

and

RESOLVED; That H. C. Frick, H. M. Curry and F. T. F. Lovejoy be and are now hereby appointed as an Appraising Committee, with full power to fix the values of the Edgar Thompson Steel Works and Furnaces, The Homestead Steel

Works, The Keystone Bridge Works, The Upper Union Mills, The Lower Union Mills, The Lucy Furnaces, The Beaver Falls Mills, The Larimer Coke Works, The Youghiogheny Coke Works, The Scotia Ore Mines, and of such of the various stocks, bonds, etc., held by the several Associations and Companies in question, as it may be decided to transfer, through Carnegie Brothers & Co., Limited, to The Carnegie Steel Company, Limited; and

RESOLVED; That said Appraising Committee be and the same are now hereby authorized and empowered to arrange and direct the details of the consolidation, the general plan whereof has been outlined above.

* * *

The following minutes of the Board of Managers and Shareholders of the CARNEGIE STEEL COMPANY, LIMITED (Record, page 978 to page 1362), are offered in evidence by the petitioner, under the foregoing stipulation, Volume II, Government Exhibits page 359, dated June 26, 1912, for all purposes for which said minutes are competent and relevant:

Each and all of said minutes are objected to by Counsel for said Defendants on the ground of incompetency, irrelevancy and immateriality.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, 42 Fifth Avenue, Pittsburg, Pa., at 1:00 P. M., on Friday, October 6, 1893, there were present MM. FRICK (Chairman), SINGER, CURRY, LEISHMAN, PHIPPS and LOVEJOY (Secretary); also MM. HENRY PHIPPS, JR. and C. M. SCHWAB.

* * *

The following letter from Andrew Carnegie was read:

"The Rail Question will not 'down.' I find myself constantly reverting to it. I confess I can see nothing so good for us as a 'free hand.' We have advantages the next year over our competitors East and West, which we may not have to the same extent in future years. Reduced duty on ore, or perhaps free ore, is pretty sure to come for the year after next. It is not likely that the tariff can go into operation in time to effect next year much. The low price for rails will also deter Maryland and Pennsylvania stockholders giving any more money to strengthen these concerns.

I see by the Iron Age that contracts for the Ashtabula Steel Co. buildings have been let. Nothing is said about the Rail Mill, but they will certainly build one like Duquesne as Newcastle did. These are standing menaces to us.

The position of the Illinois Steel Co. is that of a rival which has deliberately gone into all our lines, plates, structural steel, etc., and now, in my opinion, is the time to cause

them to delay spending money to compete with us. I think you had better take $2.50 per ton for the 10,000 tons of rails they owe you than miss getting anything. It is too bad that we should be beaten a second time in dealing with that concern.

Unless our competitors agree to let the concern make the rails which offers to make them at the lowest price, putting all above it into a common fund to be divided according to present percentages, then it does seem to me, you should tell all of them, and especially our good friends the Illinois Steel Co., that we must go alone next year and take contracts for rails in Chicago, just as we do for beams. It is very important for the sake of future good relations that there shall be no *understandings* of any kind between us. I agree fully with what you said about this, namely, that any attempted understanding would only lead to ill feeling, if we are to take rails in Chicago. Doing so, will no more interefere with our present personal relations than taking beams now does. Even if you are right about Major, if he has to take rails at anything near cost, he will not get the needed additional capital, and without this he cannot continue to fight, or fight effectively.

I think you will find Lackawanna the hardest competitor in the East, although I do not think any one can stand in our way, and I am sure that the Illinois Steel Co. cannot and *will not*. I would begin by offering rails in Chicago at $25.00 delivered, and accept offers at $24.00, and in extreme cases a little less. I would do the same in Boston. I would offer to sell the Penn'a R. R. Co. 50,000 tons of rails for next years delivery at $22.00 per ton; and I would also say to Newell, that having offered this to the P. R. R. we offer it to the Vanderbilt system. We are the beam manufacturers for the country today, we can be, and should be the rail manufacturers as well. By this policy we shall keep our men at work. At the end of next year we can make a scale based upon steady work, which none of our competitors will be able to do. We would be the only great buyers of ore, and the prices at which you can buy ore in large quantities—being the only customers—I believe will surprise us. Running

full will relieve us from all anxiety as to finances. Instead of falling from being the principal manufacturers—as we were the year I quit business—into the fourth, we shall again take our rightful position. For my part, I do not wish to play second fiddle in the rail business any longer. I get no *sweet* dividend out of second fiddle business, and I do know that the way to make even money dividends *is to lead*. I consider collecting the $2.50 from the Lackawanna and the Illinois Central Steel Companies for rails that we should have made, very unprofitable business, indeed, both for the mind and for the body. There is no satisfaction in it, and there is no money in it.

I am sure that The Carnegie Steel Co. can make more dollars, even next year, and certainly in future years, by managing its own business in its own way, free from all understandings with competitors, than by continuing in any combination that possibly can be formed.

Now having made my speech, which I trust you will read to all my partners, I take my seat and imagine the loud applause with which my sentiments are greeted."

After discussion of the Rail question,

On motion, adjourned.

F. T. F. LOVEJOY,
Secretary.

Approved at Meeting held,
Nov. 21/93.
H. C. FRICK,
Chairman.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, 42 Fifth Avenue, Pittsburg, Pa., at 1:00 P. M., on Friday, October 20, 1893, there were present MM. FRICK (Chairman), LEISHMAN, SINGER, PHIPPS and LOVEJOY (Secretary); also MM. C. M. SCHWAB and MILLARD HUNSIKER.

* * *

An Agreement with the Illinois Steel Company was read, as follows:

THIS MEMORANDUM OF AGREEMENT,

Made this 18th day of October, 1893, by and between the ILLINOIS STEEL COMPANY, of Chicago, and THE CARNEGIE STEEL COMPANY, LIMITED, of Pittsburg,

WITNESSETH:

FIRST: Beginning January 1st, 1894, and continuing during the year 1894, all sales of rails for 1894 delivery, whether made by the first party or the second party, shall be divided equally between the parties hereto, to the end that each party shall roll and ship the same percentage of the combined sales. Sales, so far as is possible, are to be made so as to avoid transfers of contracts from one party to the other.

SECOND: The amount received for rails shipped by the ILLINOIS STEEL COMPANY exceeding an average of twenty-two dollars per gross ton on cars at works, after deducting all freight and commission actually paid, and adjustment of interest on time sales; and the like amount received by THE CARNEGIE STEEL COMPANY, LIMITED, exceeding an average of twenty-one dollars per ton shall be divided equally between the parties hereto; statements to be rendered monthly and the final settlement and payment of net balance to be made on 25th day of the following month.

THIRD: It being the intent and desire of the parties hereto to carry out this agreement and to work thereunder in the most complete harmony, it is agreed that daily conferences shall be held between Julian L. Yale, representing the Illinois Steel Company, and John C. Fleming, representing the Carnegie Steel Company, Limited, at which meeting there shall be an interchange of information as to inquiries, freight rates, credits, and sales.

FOURTH: Any differences of opinion between the parties hereto, or their representatives, arising in to or out of this

Agreement, shall be referred for settlement to Messrs. Jay C. Morse and H. C. Frick.

On motion, (Singer and Leishman), the Agreement was approved, ratified and confirmed.

On motion, adjourned.

F. T. F. LOVEJOY,
Secretary.

Approved at Meeting held,
Nov. 21 93.
H. C. FRICK,
Chairman.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, 42 Fifth Avenue, Pittsburg, Pa., at 1:00 P. M., on Tuesday, November 28th, 1893, there were present MM. FRICK (Chairman), SINGER, CURRY, LEISHMAN and LOVEJOY (Secretary).

The Chairman reported the results of the Meeting of the Rail Manufacturers, held last week, at which the following allotments for 1894 were agreed upon:

The Carnegie Steel Company, Limited,...	25.00%
Illinois Steel Company,.....	27.78
Lackawanna Iron & Steel Company,.....	15.74
Cambria Iron Company,.....	7.87
Pennsylvania Steel Company,.....	7.87
Maryland Steel Company,.....	7.87
Bethlehem Iron Company,.....	7.87
Total, ...	100. %

The percentage of the Pennsylvania Steel Company and Maryland Steel Company, should these Companies not manufacture rails during 1894, to be added proportionately to the allotments for the four first named Companies, the Bethle-

lem Iron Company declining any share in the Kennedy Contract Association referred to hereafter; in which case the respective percentages will be as follows:

	In Rail Makers' Association.	In Kennedy Contract Association.
The Carnegie Steel Co., Ltd.,	30.152%	32.727%
Illinois Steel Company,.....	33.505	36.367
Lackawanna Iron & Steel Co.,	18.982	20.604
Cambria Iron Company,.....	9.491	10.302
Bethlehem Iron Company,...	7.870	—
Total, ...	100. %	100. %

Three dollars ($3.00) per ton on monthly shipments of Rails to be paid by each Manufacturer to the Treasurer of the Association, excepting on Contracts made prior to Nov. 24th, 1893, for delivery in 1894, on which the amount to be paid to the Treasurer shall be the excess over $21.00 per ton. Statements to be rendered monthly, and settlements made quarterly, as heretofore. Agreements were made between Robert Kennedy and the Pennsylvania Steel Company, and Robert Kennedy and the Maryland Steel Company, for the purchase by Kennedy of 100,000 and 300,000 tons of Rails, respectively, under which Agreements, should the Rails not be taken and paid for by Kennedy, the Sellers were to receive in monthly installments $1.00 per ton, as liquidated damages. This $1.00 per ton, to be paid by the four companies named above in proportion to their respective allotments.

On motion, (Leishman & Curry), the execution, November 27, by the Officers, of a Bond in favor of Robert F. Kennedy for $32,727.00, and a Bond in favor of the same for $8,181.00, being our proportion of the $400,000.00 to be paid under certain conditions to the Pennsylvania Steel Company and the Maryland Steel Company, was approved, ratified and confirmed.

On motion, (Leishman & Curry), the execution, November 25th, by the Officers of an Indemnity Bond to the Equit-

able Trust Company, Philadelphia, for $32,000.00, covering the Bond of the Equitable Trust Company for the furnishing to Wm. C. McPherson & Son of Steel for the Harrison Building, was approved, ratified and confirmed.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, 42 Fifth Avenue, Pittsburg, Pa., at 12:50 P. M., on Thursday, February 21st, 1895, there were present MM. FRICK (Chairman), LEISHMAN (President), CURRY, SINGER, PHIPPS, PONTEFRACT and LOVEJOY (Secretary); also, ANDREW CARNEGIE and GEORGE LAUDER.

* * *

The question of ore supply for 1895 was discussed fully. Mr. Curry reported that the Rockefeller Combination has advanced prices 10% or more. The general opinion of the Meeting being, as expressed by Mr. Singer, that we should not be in a hurry to buy. We cannot lose and may gain by waiting, assuming it as a fact that the prices have been fixed for the season, and that the question should be left in the hands of the Officers.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 11:00 A. M., on Thursday, May 30th, 1895, there were present MM. FRICK (Chairman), LEISHMAN (President), CURRY and LOVEJOY (Secretary).

The matter of the building of Blast Furnaces at Duquesne was discussed informally; action being deferred until a Meeting to be held on Monday, June 3d.

The Chairman stated that a Meeting of the larger coke manufacturers (H. C. Frick Coke Company, McClure Coke Company and W. J. Rainey) will be held in New York May 31st, when it is expected that an agreement will be arrived under which the price of coke will be advanced July 1st to $1.50; in which case the price of coke to the Carnegie Steel Company must also be advanced. The members present expressed themselves in favor of such advance.

On motion, adjourned.

F. T. F. Lovejoy,
Secretary.

Approved at Meeting held,
June 17, 1895.
H. C. Frick,
Chairman Board of Managers.

At a Meeting of the Board of Managers of

The Carnegie Steel Company, Limited,

held at the General Offices of the Association, Carnegie Building, Pittsburg, at 10:15 A. M. on Wednesday, July 3d, 1895, there were present MM. Frick (Chairman), Curry, Phipps and Lovejoy (Secretary); also Wm. P. Palmer.

The Chairman reported an offer from the Consolidated Steel & Wire Company of $500,000.00 for the Beaver Falls Mills; $50,000.00 cash, balance in ten equal annual payments, at 5% interest; subject, however, to the condition that this Company do not engage in the manufacture of Wire Rods or Nails during a period of ten years.

Mr. Curry favored selling at that price, but that we should not agree to stay out of the Rod business for a period of more than three years.

In reply to a question, Mr. Palmer stated that the cost of re-fitting and enlarging the Nail Mill, to a capacity double that before the fire, had been estimated as $75,000.00 to $100,000.00.

The Chairman reported having sent the following telegram to Mr. Leishman in New York:

"Was called up, and had three conversations with Gates "yesterday; the last conversation was also with Edenbourne, "Lambert being in the office with them. They started in "offering $400,000; came up to $450,000, then to $475,000 and "finally made the following proposition: $500,000 for "Beaver; $50,000 cash; balance in ten annual payments, bear- "ing five per cent. interest. Told him $500,000 was satis- "factory price but the terms of payment were not. They "claimed you had made the same terms to Oliver. Told them, "that being the case, we could not well ask different terms "from them, as we would prefer making the sale to them. "Told him in case we agreed on terms we would expect them "to assume what contracts for rods we had that would have "to be filled at Beaver, at the same time we would agree to "supply them with Billets sufficient to make the rods at a "price to be agreed upon. They, however, made another "condition, namely, that we were to stay out of the Wire "and Wire Rod business for ten years. They said also that "was your proposition to Oliver. We told them we would "consider the matter and give them an answer today. They "desired that neither Oliver, nor anyone, should know that "they contemplated buying. Mr. Gates told me in the morn- "ing that, for reasons we would well understand, they would "not become partners of Oliver's in the purchase. It seems "to me that if you did not commit us to such long time to "Olivers, we should insist on the payments being made in "five years. Think they would agree to that, and they would "probably agree that if we stayed out of the Wire Rod and "Nail business for five years it would be satisfactory. Met "Oliver in the evening, and told him to consider proposition "to them withdrawn for the present, and that if it was taken "up again it would be as a new question, which he said was "satisfactory."

Pending a reply, a recess was taken.

On re-opening at 11:00 A. M., Mr. Pontefract was also present.

The Chairman reported that Mr. Leishman replied by telephone, saying that he had made no terms of payment to Mr. Oliver, but that he favors acceptance of the offer by the Consolidated Steel & Wire Company even if we stay out of the Rod business for a period of ten years, rather than miss the sale.

After discussion, on motion, (Curry and Phipps), the Chairman was authorized to send the following telegram:

"Pittsburg, July 3, 1895. 11:10 A. M.

"CONSOLIDATED STEEL & WIRE COMPANY,
"Care JOHN C. FLEMING,
"Chicago, Ill.

"Referring to our talk yesterday evening: Mr. Leish-"man states positively that he named no terms of payment to "Mr. Oliver. We are willing to accept your price of $500,-"000 for Beaver; $50,000 cash on signing of agreement and "delivery of property; the balance in five annual payments, "bearing interest at rate of five per cent., payable semi-"annually, on whole amount unpaid. Deferred payments to "be secured by your common bond, with purchase money "mortgage on the property sold. Deed to be delivered on "or before August 1st, at which time property is to be turned "over to you, and agreement to be entered into by you as-"suming what rod contracts we have on hands, we agreeing "to furnish you billets at price to be mutually agreed upon, "to fill such rod contracts. We agreeing to remain out of "the wire, wire rod and nail business for the term of five "years. You at same time agreeing not to engage in the "manufacture of billets, and for such billets as you need in "territory we supply during the term of five years, we to have "the preference to furnish them to you at the same price "you are offered by any other responsible party. An in-"ventory of material for use on hands at Beaver at the time "of turning over the property to be made, and to be paid "for by you, on turning over the property, at prices to be

"mutually agreed upon. This proposition open for your "acceptance until six o'clock (our time) this evening, and is "the very best we will do.

"H. C. FRICK."

The vote being unanimous, excepting that the Chairman stated that he objected to the clause requiring us to stay out of the Rod business, on the ground that we were not getting enough for the property to justify this. For such an agreement, we should receive a considerable bonus.

On motion, adjourned.

F. T. F. LOVEJOY,
Secretary.

Approved at Meeting held,
July 8/95.
H. C. FRICK,
Chairman Board of Managers.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General offices of the Association, Carnegie Building, Pittsburg, at 3:00 P. M. on Monday, July 8th, 1895, there were present MM. FRICK (Chairman), LEISHMAN (President), SINGER, CURRY, PHIPPS, PONTEFRACT and LOVEJOY (Secretary).

* * *

The President reported having agreed with the Consolidated Steel & Wire Company, subject to approval by the Board, for the sale to that Company of the Beaver Falls Mills, in accordance with a proposition of the Chairman, made July 3d and embodied in the Minutes of the Board of that date, with a modification in the terms of payment, which are to be $50,000.00 cash, balance in fifteen (15) semi-annual in-

stalments, and in the time during which the Consolidated Steel & Wire Company is to refrain from the manufacture of Billets, and this Association is to refrain from the manufacture of Wire, Wire Rods and Nails, which period is to be seven and one-half (7½) years.

On motion, (Singer and Phipps), the agreement to sell was approved, ratified and confirmed, and the officers authorized to execute the necessary papers.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 11:00 A. M. on Tuesday, July 23rd, 1895, there were present MM. LEISHMAN (President), CURRY, POXTEFRACT and LOVEJOY (Secretary).

The following proposition, being a copy of a letter held by W. P. Palmer, at Chicago, and read by him over the telephone, was presented:

"Chicago, July 22, 1895.

"THE CARNEGIE STEEL COMPANY, LIMITED,
"Pittsburg, Pa.

"Gentlemen;

"Referring to the conversation today with your Mr. Palmer, we make you the following proposition to purchase your Beaver Falls Mills:

"We will pay you the sum of Five hundred thousand dollars ($500,000.00), payable Fifty thousand dollars on delivery of deed and property to us on August 1st, 1895, and Four hundred and fifty thousand dollars ($450,000.00) in ten equal instalments six months apart, dating from August 1st, bearing interest at five per cent. per annum payable semi-annually, secured by our common bond with purchase money mortgage on the Beaver Falls property.

"You not to manufacture wire rods, wire or nails during five years beginning January 1, 1896, we not to manufacture steel billets during same period.

"We will give you preference during this period of five years on eight thousand tons of billets per month for use at the Beaver Falls and Rankin Mills, except the months of July; strike and accident clause applicable to both sides. The word 'Preference' to be construed as meaning whenever your quotation to us is not acceptable owing to our having lower quotations made to us, that then the President or Vice-President of our Company make affidavit as to the lowest quotation received, without naming party from whom such quotation was received, and you then to agree to furnish billets at such prices or allow us to purchase elsewhere.

"Our supplementary letter of July 12th relative our assuming rod contracts and inventory of stock on hand to stand as submitted.

"Yours truly,
"Consolidated Steel & Wire Company,
WM. EDENBORN,
"President."

On motion, (Curry and Pontefract), the proposition was accepted; all voting "aye."

On motion, adjourned.

F. T. F. LOVEJOY,
Secretary.

Approved at Meeting held,
Oct. 7, 1895.
H. C. FRICK,
Chairman Board of Managers.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 4:00 P. M. on Monday, October 7, 1895,

there were present MM. FRICK (Chairman), LEISHMAN (President), CURRY, PHIPPS, PONTEFRACT and LOVEJOY (Secretary).

* * *

Mr. Frick, as President of the H. C. Frick Coke Company, made a statement as follows:

The H. C. Frick Coke Company has been negotiating with the McClure Coke Company for the purchase of the Coke property of the latter Company. The details had been agreed to between MM. Frick and Donnelly prior to the departure of the former for Europe early in July, but, during his absence, W. P. Snyder had induced Mr. Donnelly to withdraw from the agreement. The matter was taken up anew after Mr. Frick's return in September, and he thought an agreement would be arrived at containing the following, provided it be assented to and ratified by all of the leading Stockholders of the H. C. Frick Coke Company:

The McClure Coke Company to sell to the H. C. Frick Coke Company, transferring the stock to such persons as the latter may name, all its property in the coke region. The price to be paid, approximating $4,000,000.00, being at the rate of $900.00 per acre for unmined coal; $200,000.00 for 625 cars, plus the amount expended in construction since July 1, 1895, at Lemont and Coal Brook. All Cash, Notes and Accounts Receivable to be transferred to the purchaser; the accounts and notes being guaranteed by the sellers. From the total is to be deducted all indebtedness of the McClure Coke Company, the same being assumed by the purchaser. Of the balance remaining, $250,000.00 is to be paid in Cash; Nine-elevenths of the remainder to be paid in Ten annual installments, and Two-elevenths to be paid in Six annual installments; all deferred payments to bear 5% interest.

To the arrangement briefly outlined above, the Board of Directors of the H. C. Frick Coke Company has assented.

Mr. Frick stated further that no agreement now existed with Mr. Rainey, but that he was keeping in touch with him, and Mr. Rainey had been familiar with the matter up to the time of Mr. Frick's departure.

Mr. Frick stated further that a collateral agreement

might be necessary with Mr. Donnelly, under which the latter would have the right, during three months, to take in payment for his share of the McClure Coke Company stock, Stock of the H. C. Frick Coke Company, at a valuation computed on the same basis as that of the McClure Coke Company, namely, $900.00 per acre for Coal, and $320.00 per car, etc., etc.

On motion, (Leishman and Curry) it was

RESOLVED; That the consent of the Carnegie Steel Company, Limited, as a large stockholder in the H. C. Frick Coke Company, be given to the purchase of the McClure Coke Company properties, as set forth above:
the vote being unanimous.

On motion adjourned.

F. T. F. LOVEJOY,
Secretary.

Approved at Meeting held,
Nov. 22, 1895.
H. C. FRICK,
Chairman Board of Managers.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 2:20 P. M. on Tuesday, October 15th, 1895, there were present MM. FRICK (Chairman), LEISHMAN (President), CURRY, PHIPPS, PONTEFRACT and LOVEJOY (Secretary); also ANDREW CARNEGIE and WM. P. PALMER.

On motion, (Curry and Leishman), a Dividend, No. 49, of Three per centum on the Capital of this Association was declared, payable out of the undivided profits on December 31st, 1895.

Mr. Curry submitted a proposition made by H. W. Oliver, for the sale to this Association of an additional One-sixth interest in the Stock of the Oliver Mining Company at a

price covering Two-thirds of the cost to Oliver of the Mine and Mine property, or, say, Two-thirds of $93,000.00, or $62,000.00. This proposition was not favorably received. During the discussion, the members present expressed themselves as in favor of either buying Oliver's entire interest, One-half, or selling the interest of this Association, One-half.

On motion, (Curry and Leishman), the matter was referred to the Chairman for discussion with Mr. Oliver and report thereon.

The matter of the purchase by the H. C. Frick Coke Company of the property of the McClure Coke Company, as set forth in the Minutes of the Meeting of the Board of Managers, held October 7th, was brought up, and Mr. Carnegie expressed himself as willing that the purchase should be made on the terms and conditions set forth in the Minutes above referred to.

On motion, adjourned.

F. T. F. Lovejoy,
Secretary.

Approved at Meeting held,
Nov. 22, 1895.
H. C. Frick,
Chairman Board of Managers.

At a Meeting of the Board of Managers of

The Carnegie Steel Company, Limited,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 1:00 P. M. on Monday, December 30th, 1895, there were present MM. Frick (Chairman), Leishman (President), Singer, Curry, Phipps and Lovejoy (Secretary); also MM. Andrew Carnegie, Henry Phipps, Jr., and George Lauder.

* * *

Following some informal discussion, it was, on motion, (Curry and Phipps),

RESOLVED; That the President be authorized to work in connection with the Illinois Steel Company, in the matter of sales of Product for export, and to go, if necessary, down to Cost, based on Pig Iron at $12.00; no sales, however, to be made for deliveries extending over more than six (6) months;

the vote being

Ayes: MM. FRICK, LEISHMAN, SINGER, CURRY, PHIPPS and LOVEJOY.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 10:40 A. M. on Thursday, January 9th, 1896, there were present MM. FRICK (Chairman), LEISHMAN SINGER, PHIPPS, PONTEFRACT, PEACOCK, SCHWAB and LOVEJOY (Secretary); also MR. LAUDER.

Mr. Leishman submitted to the Board the question whether or not this Association will join the Ore Combination, placing therein the property of the Oliver Mining Company in which it owns the one-half interest.

He stated further that the Combination was in operation during 1895 on all of the Bessemer Ores excepting the Messaba, but that it is desired by the Combination to include for 1896 the Messaba Ores; the consent of all the Mining Companies, excepting the Oliver Mining Company, having been already obtained. Should the latter Company enter the Combination, its allotment would be 500,000 tons of Bessemer Ore for 1896; there being no restriction on non-Bessemer Ores. Mr. Pickands says the matter is entirely dependent upon our action, and that, if we refuse to agree to the Combination, it will continue only as it was in 1895, the Messaba Ores excluded. Mr. Oliver, as to the one-half interest of himself and Associates is strongly in favor of entering the Combination. Mr. Curry says our allotment is fair in proportion to the allotments of other Messaba Companies.

* * *

Mr. Frick stated that he estimated the quantity of Messaba Bessemer Ore required by us during 1896,

as ..... 625,000 tons.

Our half of the allotment by the Combination would be only,..... 250,000 "

Leaving to be purchased, partly probably out of Oliver's half and partly from outsiders, at a price fixed by the Combination,..... 375,000 tons.

The Secretary called attention to the fact that, with a maximum output of 500,000 tons and at a price to be fixed by the Combination, we would lose nothing in the event of H. W. Oliver and Associates and this Association each taking one-half of the Ore, since half the profit would "return "to us in Dividends; but that, if, as is probably (sic), we "would buy part or all of Oliver's one-half, he would receive "as profit half of the difference between Cost of Mining and "the Combination price; this profit at our expense.

Mr. Frick said: "When this matter first came up, I took "the ground they should ask us only not to sell Ore, but that "we should be permitted to mine all we wish for our own "use. Later, having thought over the matter, it seemed that, "as a question of policy and to keep in touch with Rockefeller "and other members of the Combination, we should perhaps "go in. Today, however, I return to my first opinion, and "think we should take the position that we will mine only "what we require for our own use, and will not sell any Ore "except to members of the Oliver Mining Company."

Mr. Lauder: "I agree with Mr. Frick, but think, be"fore taking any decisive action, we should have more in"formation than we seem to have obtained as to the details "of the Combination: Whether or not it is a money pool, "and on what basis per ton; the price to be fixed on Messaba "Ore, etc."

Mr. Frick offered the following Resolution:

"Resolved; That it is the sense of the Board that,

based on present information and so far as our interest in Oliver, Lone Jack and Sheridan Mine is concerned, regarding proposed Syndicate to control production and prices, we will not agree to a restriction of production, but will agree not to market any of our product.

Which was, on motion, (Phipps and Pontefract), adopted; the vote being

Aye: MM. FRICK, LEISHMAN, PHIPPS, PEACOCK, SINGER, SCHWAB, PONTEFRACT and LOVEJOY.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, January 14th, 1896, there were present MM. FRICK (Chairman), LEISHMAN, SINGER, PHIPPS, PONTEFRACT, SCHWAB, PEACOCK and LOVEJOY (Secretary); (H. M. CURRY in California, MR. LAUDER indisposed).

* * *

Mr. Leishman stated that a Meeting of the Rail Makers' Association was called for Thursday next, at which the question of a reduction in the price of Rails will be brought up. He said further: "I have not talked lately with any of the "members excepting Mr. Scranton. He thinks the price "should be $25.00 East and $26.00 West. I think the Illinois "Steel Company may be opposed to a reduction. They have "sold some rails at $29.00, on which they would have to make "an allowance if the price is reduced. I am of the opinion "that, with the present condition of the market, the price "should be reduced to $25.00. There has been no Rail buying "this winter, and the Railroads are holding off apparently "expecting a reduction."

MR. FRICK: "You think a reduction in the price of "Rails would cause Rail buying to commence at once."

MR. LEISHMAN: "Not just at once, as Railroads buy only "as they need Rails, but even then if the price is not as low "as they think it should be they hold off."

MM. Phipps, Lovejoy and Pontefract advise reducing the price.

MR. PEACOCK.—"Would a reduction not have a tendency "to stop advances in other lines?"

This was conceded, but as Rails are an important product, it seems necessary that some steps should be taken to induce Railroads to buy.

MR. SINGER.—"I think there ought to be a reduction."

MR. FRICK.—"Rails have been relatively too high, but "if the price is reduced, there should be a "fixed tonnage specified on all sales, no op- "tions on additional tonnage, and no Con- "tracts for requirements not exceeding cer- "tain tonnage."

MR. LEISHMAN.—"That is very hard to do. Many of our "customers buy all their Rails from us and "are accustomed to making contracts for "requirements."

The Secretary was directed to record it as the opinion of the Board that the matter should be left to the President to act as he deems wise and prudent after meeting the other members and discussing the matter.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, January 21st, 1896, there were present MM. FRICK (Chairman), LEISHMAN, SINGER, PHIPPS, PONTEFRACT, PEACOCK, SCHWAB and LOVEJOY (Secretary); also MR. LAUDER. (MR. CURRY in California).

The Minutes of the Meeting of the Board of Managers held January 14th were read, and, on motion approved.

Mr. Leishman reported that the question of a reduction in the price of Rails was thoroughly discussed at the Meeting of the Rail Makers' Association in New York beginning Thursday last. The members were about equally divided on the question of a reduction, and it was finally decided it would not be good policy to make any change in the price of Rails at the present time; the general opinion being that a reduction would be construed as a sign of weakness, and the Railroads would probably wait for a further reduction.

Mr. Leishman reported that Mr. Carnegie advised him substantially as follows:—

"I have had a talk with Mr. H. W. Oliver, and after re-
"viewing the matter, think we would not gain by staying out
"of the proposed Ore Combination, but, on the contrary would
"offend Rockefeller and his Associates. I think Rockefeller
"is the coming man in Ore, and think it will be to our ad-
"vantage to stand in with him; and as his ownership in Ore
"lands will be very large, believe it will be more to our ad-
"vantage to mine Ore in his territory, paying him a royalty,
"than to attempt to purchase Ore property for ourselves.
"Mr. Rockefeller strongly urges us to go in, and as the Ore
"Combination will be formed anyway, I think we will gain
"nothing by staying out."

Mr. Leishman further stated that Mr. Oliver's proposition to us is substantially as follows:—

The Oliver Mining Company will carry over on Docks, from 1895 to 1896	90,000	tons	Bessemer Ore
And will be allotted by the Combination, should it go in	500,000	"	" "
Of this 590,000 tons, Oliver is entitled to one-half, or	295,000	tons	Bessemer Ore
But will require only....	140,000	"	" "
Leaving	155,000	"	" "

which he offers to us at "Fifty cents per ton less than the price of Messaba Bessemer Ore for 1896."

Of the non-Bessemer Ore, the Oliver Mining Company will probably have.....	300,000 tons,
Of which Mr. Oliver's one-half would be	150,000 tons

which he offers to us at Twenty-five cents above cost of mining.

Mr. Frick asked if the offer of a reduction of "Fifty "cents per ton less than the price of Messaba Bessemer ore "for 1896," referred to the price to be fixed by the Combination, or to the price fixed by the Contract between the Oliver Mining Company and this Association, *as Mr. Oliver understands it.*

Mr. Leishman.—"This point was not raised, but I under-"stand it was the price to be fixed by the Combination."

Mr. Lauder.—"Will we not be able to buy non-Bessemer "Ores cheaper than 25 cents above cost of mining? Non-Bes-"semer Ores may be sold at very low prices in order to get out "Bessemer Ores. They will go begging."

Mr. Leishman.—"We may be able to do so, in which "case we are not compelled to buy from Oliver, I think this "part of the proposition will be left more in the shape of an "option.

Mr. Frick.—"I think we had better hold the matter over "until we have a definite written proposition from H. W. "Oliver as to the price he expects to charge us for Ore, cau-"tioning him not to say anything to the Combination until "we have agreed upon a basis. Don't you think the Com-"bination will be effected any way, and will not we stand as "well if we do not go in?"

Mr. Leishman.—"It will go on any way, but I think the "people will not be as friendly to us if we do not take part. "Some of them are our customers and some are Coke buyers, "and it is policy to keep in with them. Mr. Carnegie rests "his opinion on our making satisfactory arrangements with "Mr. Oliver. I think we will be able also to get something "off Hanna's commission. Have not taken up these ques-

"tions, because I wanted first to get the opinion of the "Board."

MR. FRICK.—"Are the two sections of the Oliver pro- "position coupled together? I do not think he will take off 50 cents from the price of Bessemer Ore, unless he is sure of "making 25 cents on the non-Bessemer. Do we know how "much Ore we will need next year?"

MR. LEISHMAN.—"Not over 700,000 tons of Messaba "Ore."

MR. FRICK.—"Mr. Gayley thinks we will buy 2,500,000 "tons of Ore next year, and that if Ores are properly selected "we can use about 40% Messaba, or 1,000,000 tons."

Mr. Frick, at this point, sent for Mr. Curry's estimate of the Ore supply to May 31, 1896, from which he read the following summary:—

Jan. 1 to May 31st, 1896.	Tons.	Tons.
Balance of Ore on hand and under Contract Jan. 1, 1896		928,274
Product:—		
364,875 tons Bessemer Pig Iron at 1.55 tons Ore	565,556	
50,000 tons Mill Iron at 1.10 tons Ore	55,000	620,556
Excess above requirements, 5 months, but not including supply for Duquesne Furnaces		307,718

Mr. Frick offered the following resolution:—

WHEREAS, it appears that Mr. Carnegie now thinks we should join the Ore Combination; therefore, be it

RESOLVED:—That the matter be left in the hands of the President and Vice President, with power to act, provided, however, that satisfactory arrangements are first made with H. W. Oliver;

which was, on motion, (Singer and Peacock), unanimously adopted, the vote being:

Aye: MM. FRICK, LEISHMAN, SINGER, PHIPPS, PONTEFRACT, PEACOCK, SCHWAB, and LOVEJOY.

* * * * * *

A letter from A. R. Whitney was read as follows:

* * * * * *

"Kimball & Thompson have Rector Street and Broadway "on half commission, and it looks to me as if Pencoyd or Wal-"lace paid the other half; and I shall need the lowest prices "I can get to knock Pencoyd out of that Building."

MR. LEISHMAN.—"We must maintain our position in "New York. I would go, if necessary, to 1.40 or even shade "that a little. Phoenix and Pencoyd are making inroads, and "we must keep our foothold in that district. We need the "business."

Without a motion, Mr. Leishman's opinion was endorsed unanimously.

* * * * * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburgh, Pa., at 12:45 P. M.,—on Tuesday, January 28th, 1896, there were present MM. FRICK, (Chairman), LEISHMAN, SINGER, PHIPPS, PONTEFRACT, PEACOCK, SCHWAB, and LOVEJOY (Secretary); also MR. LAUDER, (MR. CURRY in California).

During the luncheon preceding the more formal action of the Board, Mr. Frick introduced, as a subject of conversation, the subject of the price to be charged by the H. C. Frick Coke Company to The Carnegie Steel Company, Limited, for Coke, from January 1, 1896.

After some general discussion, Mr. Frick, submitted the matter substantially in this form:

"The market price of Coke being $2.00, and the Illinois "Steel Company being the owner of a large amount of un- "improved Coal lands in the Coke region worth, say, about "$2,000,000.00;—If, in consideration of the Illinois Steel Com- "pany agreeing not to improve this property with a view to "mining Coal and manufacturing Coke, a reduction below $2.00 "in the price of Coke is made that Company, is The Carnegie "Steel Company, Limited, entitled to the same reduction, "bearing in mind that the latter Company is the owner of "30% of the Capital of the H. C. Frick Coke Company and "that it does not use 30% of the output of the Coke Com- "pany?" and called upon the members present for their opin- ions.

MR. PHIPPS: "When we consider that the Coal property "of the Illinois Steel Company is constantly enhancing in "value, and that that Company does not have to make "further investments in order to mine Coal and manufacture "Coke, I do not think it is entitled to any advantage over "this Company. We should have the same price as the Il- "linois Steel Company.

MR. PONTEFRACT: "This Company is the largest single "customer the H. C. Frick Coke Company has, and I think "should have as low a price as is made to any one."

MR. LOVEJOY: "We already have a contract covering "this point. With the permission of the Chair, I will read "from the Minutes of Feb. 21, 1890, which after fixing the "price to be paid for Coke to May 1, 1891, 'or until the mak- "'ing by the H. C. Frick Coke Company of a new Contract "'with the Illinois Steel Company'; says further, 'whereupon "'no further formal Contract is to be considered necessary "'between the H. C. Frick Coke Company and Carnegie "'Brothers & Co., Limited, but the net price charged each "'month for all Coke shipped to Carnegie Brothers & Co., "'Limited, shall be the same as that charged for Coke ship- "'ped to the Illinois Steel Company.'

"This Agreement has not been broken, excepting that, "beginning January, 1892, the H. C. Frick Coke Company "made voluntary reductions in the price to this Association

"below that paid by the Illinois Steel Company. I think this "Agreement should still cover the price of Coke."

* * *

The Minutes of the Meeting of the Board of Managers held January 21st were read and, on motion, approved.

Mr. Leishman reported in the matter of the Oliver Mining Company joining the Ore Combination for 1896, submitting documents as follows:—

Preliminary agreement with H. W. Oliver:

PITTSBURG, Pa., January 21, 1896.

"Referring to your conversation with Mr. Andrew Car-"negie:—While our Company cannot see how we are to be "advantaged by consenting to the Oliver Mining Company "joining the Ore Association, we recognize the standing and "importance of the different members of the Association, "and do not wish to stand in their way if it can be avoided; "And if you are willing to make the following arrangement "as half owner in the Oliver Mining Company, and can ar-"range with Mr. Hanna in regard to commission, we will "give our consent to have the Oliver Mining Company join "the Ore Association, providing we are given an allotment "that will enable us to mine not less than 500,000 tons of "Bessemer Ore, i. e.: It is estimated that the Oliver Mining "Company will carry over about 90,000 tons of unsold Ore; "this with the 500,000 tons minimum to be mined in 1896 "would give 590,000, of which you would be entitled to one-"half, or 295,000, and of which you calculate on using 140,-"000, leaving a balance of 155,000 tons, which we understand "you are willing to give us the option of purchasing at 50 "cents per ton less than the price agreed upon by the As-"sociation for Oliver or other similar grade Messaba Ores. "And further should be (sic) decide to mine 300,000 to 500,000 "tons non-Bessemer grade Ore from the property controlled "by the Oliver Mining Company, that you will accept 15 cents

"per ton above actual cost for your share of any non-Bes-
"semer mined on your half interest.

"And that you will arrange with M. A. Hanna & Co.
"that they will not charge us any commission for handling,
"etc., the non-Bessemer Ore that we may mine.

"If the above understanding is agreed upon, you can
"authorize MM. M. A. Hanna & Co., to sign for us."

"Will accept the above arrangement, providing payment
"on non-Bessemer Ore is made 20 cents per ton instead of
"15 cents.

HENRY W. OLIVER."

* * *

Telephone Message to Andrew Carnegie:

PITTSBURG, Pa., January 22, 1896.

"I brought up the Oliver matter before the Board yes-
"terday, and told them that after seeing Mr. Oliver, you had
"come to the conclusion that as the Ore men would in all
"probability go ahead without us, that we would gain little
"or nothing by having the Oliver Mining Company remain
"out of the Association, and might lose the friendship of
"Rockefeller and some of the other important people con-
"nected with the Association; and that if a satisfactory ar-
"rangement could be made with Mr. Oliver, that you would
"favor the Oliver Mining Company joining the Association.

"After discussion it was referred to Mr. Phipps and my-
"self to arrange matters accordingly, provided a satisfac-
"tory arrangement could be made with Mr. Oliver; and I
"have blocked out the following, which everybody approves,
"and is acceptable to Mr. Oliver, provided we will make it 20
"cents instead of 15 cents (which I offered) on the non-
"Bessemer grade, (his original proposition being 25 cents,
"20 being a compromise).

"He thinks there will be no trouble in arranging about

"commission with Hanna, who should certainly not raise "any objection to it, as he is certainly well paid with his com- "mission on the Bessemer although as you are aware, he has "an agreement running another year for 10 cents a ton on "all Ore mined, which was made by Mr. Oliver before we "bought a half interest in the Company.

"I consider the arrangement with Mr. Oliver a very sat- "isfactory one, but before finally closing the arrangement, "I wish to submit the whole matter to you for approval; and "have asked Mr. Oliver to come back again at 3:00 o'clock "and I would give him our final answer.

"Would be much obliged if you will kindly send me word "by bearer."

To which Mr. Carnegie replied: "Very good. All right."

Additional Memoranda referring to conversation with Mr. Oliver.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Officers of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, February 4th, 1896, there were present MM. FRICK (Chairman), LEISHMAN, SINGER, PHIPPS, PEACOCK, SCHWAB and LOVEJOY (Secretary); also GEORGE LAUDER and D. M. CLEMSON.

* * *

Mr. Peacock, as General Sales Agent, submitted the following reports:

* * *

"The summary of Contract Sales, from January 1st to February 3d, 1896, inclusive, is as follows:

Tons.	Material.	Average Price per lb.	Average Price per net ton.
13,538	Structural	1.4098c.	$28.196
1,558	Nickel Steel	3.80 c.	76.00
23,866	Plates	1.407 c.	28.14
1,840	Bars	1.2815c.	25.63
190	Links and Pins	1.25 c.	25.00

		Average Price per gross ton.
9,800	Rails	$28.224
54,650	Billets	16.993
300	Ferro	49.533
13,000	Pig Iron	13.031
9,500	Crop Ends and Plate Shearings	14.057"

* * *

MR. SCHWAB: "I have made careful calculations, and find "that we can make more profit running the Beam Mill full on "1/10 cent per lb. less price, than by it running three-quarters "of capacity without the 1/10 cent reduction."

In reply to a question by Mr. Frick, as to our requirements in Low Phosphorous Ores, Mr. Leishman said:

"We should have low phosphorous Ore if we intend making low phosphorous Iron. Unless we are running very full, we will have some surplus Furnace capacity, and can make low phosphorous Iron to advantage. I have a letter on this subject from Mr. Gayley, and have asked all the superintendents to consider the matter carefully and report, advising what kind of Ore we should buy. These reports will be submitted to the Board as soon as received."

MR. FRICK: "As there will be a Combination price on Bessemer Ore and none on non-Bessemer Ore, we had better get all the Pewabic Ore and other low phosphorous Ores so as to make a cheaper mix."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, February 11th, 1896, there were present MM. FRICK (Chairman), SINGER, CURRY, PHIPPS, PEACOCK and LOVEJOY (Secretary); also D. M. CLEMSON and JAMES GAYLEY. (MM. LEISHMAN in New York; SCHWAB and POINTEFRACT absent from the city.)

The Minutes of the Meeting of the Board of Managers held February 4th were read, and, on motion, approved.

The following communication from Mr. Leishman, dated February 10th, was read:

"Referring to conversation in regard to Pewabic Ore, I think we should take the entire output of this mine, provided they make the same relative price as last year as against other standard Ores. This would give us some advantage, and I can see no objection to it whatever, as, by getting the entire output, we would be able to better control the price of Low Phosphorous Pig Metal, and whatever surplus we have beyond what is required for Low Phosphorous Pig, we could use in our regular mixture, which would enable us to buy Ores a little beyond the Bessemer limit, which Ores we should be able to buy to better advantage than standard grades."

* * * *

MR. CURRY: "The price of Pewabic Ore this year is 77 cents above Norrie, as compared with 65 cents difference last year. I think this difference a reasonable one, and the advantage, if we got all of the Pewabic Ore, in having control of Low Phosphorous Pig Iron, will more than offset the 12 cents advance. The Pewabic Company demur somewhat to selling us all of the 1896 product, saying a trade has been built up, which will be lost if all the Ore is sold to us; and intimate that, while they will not ask us to make a contract to that effect, they will expect us to continue taking all the Ore, or at least all that they cannot dispose of."

MR. FRICK: "Would that price be guaranteed against a reduction in the price of Norrie Ore, and only that difference be asked if Norrie Ore sells for less?"

MR. CURRY: "The Pewabic Company will not sell for less than the price named. They say they would divide the Ore as heretofore rather than sell for less. Their estimated production for 1896 is 155,000 tons; of which will be required to fill existing contracts with the Illinois Steel Company, 15,000 tons; leaving 140,000 tons which we should purchase in order to do away with competition in Low Phosphorus Ore. There is only one other Low Phosphorus Ore, the Castile, of which not exceeding 10,000 tons will be mined this year. I would recommend that we purchase the 140,000 tons of Pewabic Ore, at a price delivered at Lake Erie Ports, 77 cents per ton above Norrie Ore."

On motion, (Curry and Phipps), this was unanimously agreed to; the vote being

Aye: MM. FRICK, SINGER, CURRY, PHIPPS, PEACOCK and LOVEJOY.

* * *

The following communication from Mr. Leishman dated February 10th, was read:—

"Please note correspondence from Mr. Gates in regard to guarantee to the Colorado Fuel & Iron Company, which is the same which we gave them last year.

The Illinois Steel Company have written a letter, standing in with us on guarantee for this year. I have not committed ourselves in any way and have tried to avoid giving the guarantee, but as Mr. Gates in his communication with Mr. Osgood promised the same conditions as heretofore, I think it would probably be good policy to grant it for fear of causing complication. I have signed the guarantee forwarded by Mr. Gates, so that if the Board approves, it can be sent to Mr. Osgood."

Together with the following letters referred to therein:—

"CHICAGO, February 3d, 1896.

"MY DEAR LEISHMAN: "You can scarcely imagine my surprise to receive your telegram this afternoon that it would

be impossible for you to meet me in Cleveland tomorrow. I cannot understand, after the talk I have had with you and Mr. Frick on the basis of this export business, why it is that you do not agree with me to meet the Ore men and take up and discuss the proposition of asking the Ore men to furnish us with two tons of Ore at last year's prices for each ton of finished goods that we might export.

We certainly cannot afford to pay a syndicate an arbitrary price for Ore, which is artificial and above the ordinary market, if we sell these goods in the markets of the world in competition with all other makers.

I certainly understood Mr. Frick to be in favor of this thing, and he talked the matter over with me, and we together talked it over with Mr. Porter prior to his sailing.

I think also that the Frick Coke Company should furnish us a ton of coke for each ton of finished product. It would be useless for you and me to go to Cleveland unless Mr. Frick would also go, because we would want to say to them that the Frick Coke Company, realizing the situation, were willing to encourage the exportation of steel by giving us a ton of coke at old prices against each ton of finished goods exported, and the Ore men to give us two tons of Ore. This matter is very important and should be talked over.

I also enclose you a letter from the Colorado Fuel & Iron Company, together with copy of their last year's contract. I have written you at least two or three letters on this subject, and have received no reply either directly or indirectly to them. Will you please take up the question of this guarantee and have it signed?

I understand you want a contract between your Company and ours as of last year's, with certain modifications, which if you will forward here, and if same is satisfactory, I will take pleasure in signing it.

If you have been holding this Colorado matter off, waiting for my signature to the agreement to divide the business for 1896 equally, I think you have been doing Mr. Osgood an injustice and also doing me one by not answering any of my letters on this subject. Mr. Osgood has been very patient

and is entitled to his agreement, which I made after talking with you over the 'phone, and which you advised me to make.

Yours truly,
J. W. GATES,
President,
Illinois Steel Company.

"DENVER, COL., February 1, 1896.

MR. J. W. GATES, President,
Illinois Steel Company,
Chicago, Ill.

DEAR SIR:—You wrote me December 12th in answer my letter of the 10th, that you had written to Mr. Leishman, President of the Carnegie Steel Company, Limited, requesting him to forward the Guaranty of the Contract with the Rail Makers' Association. I have never received the Guaranty or heard from Mr. Leishman in regard to it.

Early in January, when our Mr. Cass was in Chicago, he spoke to you on this subject, and you said you would procure the Guaranty at once. I am sorry to keep troubling you about this matter, but as my negotiation was with you, and you undertook to procure this Guaranty, I do not feel at liberty to take the matter up with the Carnegie Steel Company.

I enclose copy of the form of Guaranty which they gave on last year's contract. I wish you would procure their signature to this, or if they decline to give the Guaranty, please advise me promptly.

Yours sincerely,
J. C. OSGOOD,
President,
Colorado Fuel & Iron Company.

THE CARNEGIE STEEL COMPANY, LIMITED,
Pittsburg, Pa.

THE COLORADO FUEL & IRON COMPANY,
Denver, Colo.

GENTLEMEN.—Referring to Contract with you under date of ———————— by the Rail Makers' Association;— It is understood and agreed that we guarantee the payment of any money that may be found due on January 1st, 1897, in accordance with said Agreement.

Yours very truly,
The Carnegie Steel Company, Limited.
JOHN G. A. LEISHMAN,
President."

"CHICAGO, February 8th, 1896.

THE CARNEGIE STEEL COMPANY, LIMITED,
Pittsburg, Pa.,

GENTLEMEN.—In view of your guaranteeing that the Rail Association will faithfully live up to a Contract entered into between themselves and the Colorado Fuel & Iron Company, covering the sale of Rails for the year 1896, of which Contract the Colorado Fuel & Iron Company have asked you to become guarantors, we hereby agree to pay one-half of any costs, claims or damages that the Colorado Fuel & Iron Company may collect of you under said guarantee.

Yours truly,
ILLINOIS STEEL COMPANY,
J. W. GATES,
President."

MR. FRICK: "I do not think we should give any Guarantee. This was all right for the first year because the Colorado Fuel & Iron Company had not done much business with the Rail Makers' Association, and was naturally timid; but now they should take the same risk that we do."

MR. PHIPPS: "The Colorado people should be satisfied without a Guarantee, but if, as Mr. Gates asserts, we are committed, we should sign the Guarantee."

MR. FRICK: "Mr. Leishman says we have not committed ourselves."

Mr. Frick offered the following resolution:

RESOLVED: Provided it is found necessary as a matter of good faith to sign the Guarantee with the Colorado Fuel & Iron Company, that the Officers be authorized to execute the same:

which was, on motion, (Phipps and Peacock), agreed to.

* * *

The following communication from Mr. Leishman, dated February 10th, was read:

"As the foreigners have been bothering us a great deal during the past year on Ferro Manganese, selling it here at about the same price they do abroad, which means that they have been absorbing the duty and freight, I think it would be a good idea for us to dump a lot of Ferro on the other side, as we could not only spare the Furnaces at the present time, but I think by teaching them a lesson we might be able to bring matters to a point where they will make some satisfactory agreement with us, so that we can get a much better price on what Ferro we make for home trade; and I would like to have the Board pass a resolution authorizing me, while I am on the other side, to make arrangements, if it can be done, to sell a good sized block, provided we can do so at a price that will let us out whole, which would be about $40.00 at seaboard."

MR. CURRY: "The action recommended may be necessary sometime, but whether or not we have reached that point is a matter of opinion. The foreign makers sell small

quantities at low prices, but these prices affect our prices on large quantities. If we take this action, I would not restrict the price to $40.00; it might be necessary to make a less price. It would be well to ask Mr. Leishman to see the syndicate of foreign Ferro manufacturers, and endeavor to make some arrangement with them to keep out of this market; and if he cannot do so, then take the action recommended by him. We have Ore enough for about eight months product, say 20,000 tons of Ferro, at low prices, but I would be sorry to see this low priced Ore put into Ferro to sell at a cut price, without first making an effort to arrange the matter with the syndicate."

MR. SINGER: "It would be better if we could make arrangements to give them a shot right away, with the understanding that he must not sell too much."

MR. CURRY: "4 or 5,000 tons would be sufficient."

On motion, (Curry and Peacock), the advice to be sent Mr. Leishman was adopted, as set forth in Mr. Curry's remarks above; the vote being

Aye: MM. FRICK, SINGER, CURRY, PHIPPS, PEACOCK & LOVEJOY.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:45 P. M. on Tuesday, February 18th, 1896, there were present MM. FRICK (Chairman), SINGER, CURRY, PHIPPS, PEACOCK, PONTEFRACT, and LOVEJOY (Secretary); also D. M. CLEMSON and JAMES GAYLEY. (Mr. Leishman in Paris; Mr. Schwab in the East.)

* * *

The following correspondence was read:

President Leishman to Vice President Phipps, from New York, February 11th:

"Mr. Whitney called on me at the office this afternoon

and informed me that Mr. Carnegie had instructed him to call a meeting of the Beam Manufacturers east of the Allegheny Mountains, in order to form a pool (providing they would be willing to give us a percentage equal to the percentage of our tonnage to the whole for the last three years); and he has called a meeting for tomorrow (Wednesday) afternoon.

"He wanted my advice, but as it was new to me and a very important matter, I told him I did not feel able to give him any instructions and very little advice, except that while I thought we might be willing to listen to overtures from the other people, that I did not think we would like to be known as being the prime movers, and that as he had called a meeting, that all the advice I could give him would be to hear what was said and report matters to the Home Office, when it could be taken up by the Board and acted on.

"My own opinion is that it would not be practicable to form a pool for the section east of the Allegheny Mountains only, as nothing but a "gentlemen's agreement" would do very much good in this case, and I would have very little confidence in a "gentleman's agreement" among the Beam Manufacturers; and unless a general pool was formed covering all Beam Manufacturers, I hardly think a pool would be practical, for if the price was put at 1.75 (the highest point to which we could go in order to prevent foreign beams from coming in), and the present price left untouched in the West, it would merely result in the Western Manufacturers shipping stuff into the Eastern market, which at present is left pretty much to ourselves, together with Pencoyd, Phoenix and Passaic. But if it was taken up with all of the Manufacturers, I hardly think it would be practical for us to secure the percentage which we would be entitled to on our showing for the last year or two; for while we might be able to show that we had made 60 to 70% of all the Beams and Channels, we could hardly expect to get over 50% in the pool, as Cambria and Cleveland Rolling Mill Company, who have come in within the last year or two, would not be satisfied with their showing, and Illinois Steel Company would have to be taken care of, for while they have not

cut much of a figure during the last year or two on account of the low prices, if the price was put on the basis of 1.75 they would either have to be paid to stay out of the market on a pretty fair percentage, or else the price would tempt them to go ahead and improve their Mills and come in and take their pro rata of the tonnage.

"There are so many things to be taken into consideration that, off hand, I would hesitate to give a decided opinion without having time to go over the matter very carefully.

"Of course I would be in favor of a pool, if after careful and thorough consideration it was decided that the proper time had arrived, as it does seem too bad to be giving beams away, as we are now doing."

A. R. Whitney to H. C. Frick, Chairman, from New York, February 12th:

"Mr. Carnegie requested me to work up a Pool on Beams. Mr. Fayerweather, who has been persistently calling to see if something could not be done, called in and I said to him that something might be done if he would call a meeting, and that if he would call a meeting, I would attend it. He called a meeting at 1:00 o'clock today, and there were present: Mr. Bedell for the New Jersey Steel & Iron Company; Mr. Watts Cook and Mr. Fayerweather for the Passaic Rolling Mill Company; Mr. Percy Roberts for Pencoyd; and a Mr. Reeves for Phoenix; and Mr. Atkins for Pottsville.

"I explained to these people the workings of the Wire Nail Pool and said nothing more. A motion was made to appoint a committee of five to formulate a plan to improve the condition of the Beam business, and the committee appointed consists of Mr. Bedell of the New Jersey Steel & Iron Company, Mr. Watts Cook of Passaic, Mr. Percy Roberts of Pencoyd, and Mr. Reeves of Phoenix; also a representative to be appointed by The Carnegie Steel Company, Limited; and Mr. Bedell is to call a meeting, and you can appoint a representative to attend it if it meets your approval.

"After that was passed a proposition was made that we have an understanding that no Beams should be sold in

New York or Philadelphia for less than 1½ cents per pound for 15" and smaller, nothing said about 20" and 24", and the list of extras adopted last September should be adhered to.

"These were the minimum prices and that arrangement was signed by everybody present and will be sent to Jones & Laughlins tonight, and you can see them in regard to it, if you choose. I signed it with the understanding that it was not binding after I had ascertained that price had been cut, and for New York only.

"Tomorrow I shall cover all our customers on any estimates they have out at the 1.40 prices, and notify them to base their estimates on 1.50 in the future.

"Mr. Percy Roberts said he would see that J. Ogden Hoffman signed the agreement for you at Philadelphia."

Acknowledgment from the Chairman, February 13th.

Vice President Phipps to A. R. Whitney, February 13th.

"Your letter of yesterday, addressed to our Chairman, Mr. Frick, has been referred to me for attention and reply.

"I am very glad to learn that the eastern manufacturers show a willingness to advance prices, and have to report that Jones & Laughlins, Limited, signed the agreement covering eastern business today.

"Our Philadelphia and Boston offices have been fully posted in the matter and will maintain the minimum of 1½ cents per pound for standard sizes of Beams and Channels.

"It would appear from your letter that Mr. Bedell will call a Meeting of the Committee as soon as our representative has been named; and we feel that the eastern manufacturers should be fully informed as to the position western mills would probably assume in case of a further advance in price, we wish to name two representatives, believing that no objection to this action can be raised. I have accordingly written Mr. Bedell naming our Mr. A. R. Peacock and yourself, and have no doubt that this will be entirely agreeable to you.

"There are many points on which Mr. Peacock and yourself will naturally want to confer, among others the question of covering Angles, Plates and other Structural material

in the price agreement, and the manner in which the Cleveland Rolling Mill Company, Cambria Iron Company and Jones & Laughlins, Limited, can best be taken care of."

* * *

MR. FRICK: "The Board appears to be unanimously in favor of forming some combination on Beams; provided, however, that the advance in price shall not be to a point which will permit foreign Beams to come in, or will encourage the smaller Mills to begin or resume the manufacture of Beams."

To this there was no dissent.

In the matter of the price of Light Rails, Mr. Phipps reported:—

"The Rail Makers' Association does not govern in its agreement the price of Rails weighing less than 45 pounds per yard; but there is an understanding that such Rails shall not be sold below the Association price for standard sections. Some of the Mills not in the Association have been selling Light Rails below $28.00, and, in order to meet competition, we have ourselves taken some orders at less price. The Cambria Iron Company lost some sales because of lower prices being quoted, thought we had made the low price and accordingly reported the matter to the Rail Makers' Association. Secretary Kennedy sent out letters, asking for the views of the members of the Association. After talking the matter over with our Chairman, I wrote Mr. Kennedy that lower prices on Light Rails were being made by outside Mills, and that it is our opinion we cannot maintain the high price. We cannot get orders unless we meet the competition of outsiders. The Eastern members of the Association have indicated they will refuse to sell Light Rails at a less price than Standard Rails. Our Agents have instructions to take orders at competition prices down to a certain minimum. If we try to maintain $28.00 as the price, we will not be able to run our Light Rail Mill full."

MR. FRICK: "The matter had better be left in the hands of the Vice President to take up with the Rail Makers' Association, insisting that the price be made such as will enable us to take business."

To this there was no dissent.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., 12:30 P. M. on Tuesday, February 25th, 1896, there were present MM. FRICK, (Chairman), SINGER, CURRY, PHIPPS, PEACOCK, PONTEFRACT, SCHWAB, and LOVEJOY (Secretary); also D. M. CLEMSON. (MR. LEISHMAN in Paris).

* * *

On motion, (Schwab and Pontefract), an expenditure of $2,000.00 for testing the rolling of Girder Rails at the Edgar Thompson Steel Works was authorized; provided, on further investigation, it is found advisable: the vote being

Aye: MM. Frick, Singer, Curry, Phipps, Peacock, Pontefract, Schwab, and Lovejoy.

MR. SCHWAB: "How much will Girder Rails sell for?"

MR. PHIPPS: "Under the Railmakers Association Agreement, $2.00 per ton above the price of Standard Rails."

MR. CURRY: "Can we take orders for Girder Rails, without submitting the inquiry to the Johnson Company?"

MR. PHIPPS: "Undoubtedly. I had this matter up with Mr. Leishman before he left.

* * *

In reply to a question by the Chairman, Mr. Phipps reported in the matter of export business:—

"Contracts have been made for 10,000 tons of rails for Japan and 3,000 tons for Chili; and on these lots, as well as

on the rails for San Joachin, very satisfactory freight rates have been obtained.

"The Canada and Mexican Contracts are not yet settled. The chances are very good for our getting an order for 10 to 12,000 tons from the Erie Railroad for prompt shipment, and 10,000 tons from the Southern Railroad Company. The Wabash asks for a price on 15,000 tons of Rails. We hope to get this business at Association price Mill, and also to arrange a transfer from the Illinois Steel Company of 16,000 tons for the Illinois Central Railroad."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, March 3, 1896, there were present MM. FRICK (Chairman), SINGER, CURRY, PHIPPS, PEACOCK, PONTEFRACT, SCHWAB and LOVEJOY (Secretary); also D. M. CLEMSON and THOMAS MORRISON. (Mr. Leishman in Europe).

* * *

Mr. Peacock, as General Sales Agent, submitted the following reports:

* * *

The summary of Contract Sales from January 1st to March 2nd, 1896, is as follows:

Tons.	Material.	Average Price per lb.	Average Price per net ton.
30,898	Structural	1.3796c.	$27.593
1,556	Nickel Steel	3.80 c.	76.00
25,321	Plates	1.4063c.	28.126
2,090	Bars	1.277 c.	25.55
390	Links and Pins	1.265 c.	25.307

		Average Price per gros ton.
47,060	Rails	$23.908
2,085	Splices	25.681
66,300	Billets and Sheet Bars	17.089
2,620	Ferro	48.264
14,000	Pig Iron	12.835
12,700	Crop Ends & Plate Shearings	14.198

* * *

MR. PEACOCK: (To Mr. Frick):

"Before you return, there will be either a Beam pool or nothing. At the meeting the other day, the product of Beams for 1896 was estimated at 300,000 tons, but the other manufacturers are not willing to go back three years as a basis for allotments; they want to make it ten years. On three years product we would get about 50%."

MR. SCHWAB: "We estimated we were shipping 75 to 80%."

MR. FRICK: "A. R. Whitney is an important factor in this matter, and as he will be south, we can probably arrange a postponement of the meeting. Prices have already advanced as a result of the preliminary meetings."

MR. PEACOCK: "Yes, and it looks now as if Phoenix, Pencoyd and ourselves will agree on prices without any pool."

* * *

MR. FRICK: "I had not been officially notified of the fact, but understood that MM. Andrew Carnegie and Henry Phipps, Jr., have been negotiating with S. B. Dick, who claims to be the owner of a Railroad, the Pittsburg, Shenango & Lake Erie, with a view to making a contract for the transportation of freight to and from our Works, after connection has been made with the Works by way of the Union Railroad tracks. Colonel Dick states that, with a Contract executed by this Company, he can borrow sufficient money to extend the tracks to connect with the Union Railroad near Braddock. The Contract offered by Colonel Dick covers a term of years, dur-

ing which time we are to give that Road certain minimum tonnages of Ore, Limestone and Steel, on which we are to have net rates below the present rates or any that may be made hereafter; all as set forth in detail in the proposed form of Contract, the submission of which to the Board may be deferred.

The other Railroads, (Pennsylvania Lines West and Pittsburg & Lake Erie), have become cognizant of this, and are very uneasy. They say Mr. Carnegie should not have taken such action without first giving them an opportunity to be heard; that the making of such a Contract would be taken as evidence of an unfriendly spirit; and would not be treating them as large customers of the Company in a proper manner.

I had a talk with James McCrea and J. H. Reed, separately, who intimate that, if necessary, their Roads would make lower freight rates, and I think it probable we can make with them very satisfactory arrangements.

Believing the matter had not gone beyond negotiation, I yesterday telegraphed Mr. Carnegie, at Dungeness, as follows:

'If I can obtain Board's approval, will make firm Contract for period of years with Pennsylvania Company and Pittsburg & Lake Erie Railroad, at rates near basis named in proposed agreement with other party, with proper clause providing for rates at all times as low as other Lines shall offer in good faith, giving them call on all our business, taking the risk of compromising you and Henry Phipps, Jr., with other party. No assurance this can be done but there is possibility.'

"I sent this thinking probably Mr. Carnegie, on its receipt would advise the Vice President, consenting to such an arrangement, but am surprised today to see a telegram as follows:—

'Henry Phipps, Jr., Andrew Carnegie, jointly bound. Written guarantee—contract will be executed. Henry Phipps, Jr., omitted sending copy. Goes tonight. Board not free negotiate Pennsylvania Company and Pittsburg & Lake Erie Railroad. Please postpone action of any kind until conference.'

"Of course with that telegram before it, the Board would not ratify any arrangement I might have agreed to, but I will not drop the matter with McCrea and Reed just yet. If, however, they will not meet the situation, then, of course, the new Road should be encouraged.

"Do not understand me as criticising MM. Carnegie and Phipps, as their action will probably enable us to make very favorable arrangements with the other Lines, and I think we can afford to pay something to Dick to cancel the agreement; especially as any arrangement with the Pennsylvania Company and Pittsburg & Lake Erie Railroad would go into effect at once, while the other Road could not be completed for two years. If the old Lines will not make the right rates now, it will be perfectly proper to encourage the building of another Line; but if we can get anything like the rates we should have, and for a long enough period, with proper guarantee, I think it much better to stay with the present Lines."

Following some little discussion, during which no new points were presented nor dissent expressed, Mr. Frick offered the following Resolution:—

RESOLVED: It is the sense of the Board it will be far better to stay with existing Lines of Railway, than to encourage the building of new Lines; provided we can secure anything like the rates the new Line proposes to give us, for a period of years, with a proper guarantee that rates shall be as low as those made to other shippers by existing Lines, or by any other Lines, to our competitors; provided, however, such arrangement can be made without in any way compromising our partners.

On motion, (Phipps and Singer), the Resolution was adopted unanimously; the vote being Aye: MM. Frick, Singer, Curry, Phipps, Peacock, Pontefract, Schwab and Lovejoy.

On motion adjourned.

F. T. F. LOVEJOY,
Secretary.

Approved at Meeting held,
March 10, 1896.

H. C. FRICK,
Chairman Board of Managers.

Impression copy sent J. G. A. Leishman, New York, 11, March 96.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, March 24, 1896, there were present MM. FRICK, (Chairman), SINGER, CURRY, PHIPPS, L. C. PONTEFRACT, SCHWAB, and LOVEJOY (Secretary); also HENRY PHIPPS, JR., GEORGE LAUDER, THOMAS MORRISON and H. P. BOPE. (MR. LEISHMAN in Washington; MR. PEACOCK in Boston.)

* * *

A report on Armor Plate matters, submitted by Millard Hunsiker, Assistant to President, was read as follows:—

* * *

AGREEMENT WITH BETHLEHEM:

I earnestly recommend that we should, without longer delay, have some hard and fast agreement with the Bethlehem Iron Company in regard to the division of armor orders, and for their using our Re-forging process. They seem to be evading the issue on both of these points, and I think that the sooner we make a definite arrangement with them the better.

* * *

PARIS CONVENTION:

The revised agreement of the armor makers, as agreed upon at the meeting February 22nd, in Paris, and also the Minutes of the Meeting, have been received, translated and filed with the Secretary. There is no special change from the former agreement, with the exception of the revision of prices, which have been varied according to the thickness of armor, and slightly raised.

On motion, (Curry and Singer), the recommendation made above, that an agreement be made with the Bethlehem Iron Company, was referred to the President and Vice President for negotiation; there being no dissent.

* * *

MR. CURRY: "The Ore Association announces that it has fixed prices for 1896, and will be ready for business in a day or two. The basis is Norrie at $4.00. This makes Messaba (Mountain Ore) at $3.35; hard Ores keeping the same relative position as they did last year.

* * *

"In October, 1895, we used at Lucy = 1, 47% of Messaba Ore and 4.5% of Scale. This gave a product of 299 tons per day average, on 2,115 pounds of Coke.

March 1 to 20, 1896, we increased the percentage of Messaba Ore to 50%, and the Scale to 8.3%, resulting in a daily product of 314 tons, on 2,107 pounds of Coke. This would indicate that a larger percentage of Messaba Ore can be used to advantage, and I would recommend that the percentage at Edgar Thompson be increased."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, April 7, 1896, there were present MM. LEISHMAN (President), SINGER, CURRY, PHIPPS, PONTEFRACT, PEACOCK, SCHWAB and LOVEJOY (Secretary); also GEORGE LAUDER and D. M. CLEMSON. (Mr. Frick in New York).

* * *

The following form of Agreement was read:

THIS AGREEMENT, Made and entered into this Seventh day of April, 1896, between THE CARNEGIE STEEL COMPANY, LIM-

ITED, a limited copartnership formed under the Laws of the Commonwealth of Pennsylvania, hereinafter called the Steel Company, party of the first part; THE UNION RAILROAD COMPANY, a corporation duly organized and existing under and by virtue of the Laws of the Commonwealth of Pennsylvania, hereinafter called the Terminal Company, party of the second part; and THE PITTSBURG, SHENANGO & LAKE ERIE RAILROAD COMPANY, a corporation duly created and existing under and by virtue of the Laws of the Commonwealth of Pennsylvania and the State of Ohio, hereinafter called the Railroad Company, a party of the third part, WITNESSETH:

WHEREAS, the said Steel Company is engaged in the manufacture of iron and steel in various forms for divers purposes at points upon the Monongahela river in the State of Pennsylvania, and requires in the prosecution of its business large quantities of iron ore, coke, coal and limestone, and is a shipper of extensive amounts of manufactured products; and

WHEREAS, the said Terminal Company is the owner of lines of railroad, tracks, sidings, storage grounds and other terminals connected with and giving access to the several Works and divers plants of the said Steel Company; and

WHEREAS, the said Railroad Company is engaged in the maintenance and operation of a railroad from, among other places, Conneaut, upon Lake Erie in the State of Ohio, to Butler, in the County of Butler and the State of Pennsylvania, and, in addition to its said railroad, is the owner of extensive wharves, docks and other facilities for the purpose of loading and unloading from and into vessels and cars, iron ore, coal and other freight at the harbor of Conneaut aforesaid; and is desirous to extend or cause to be extended its line from Butler to a junction with the tracks of said Terminal Company at or near Bessemer Station in the County of Allegheny and State of Pennsylvania, by reason of the covenants hereinafter undertaken by said parties of the first and second part; and

WHEREAS, the said Steel Company is desirous that the said Railroad Company shall so extend its line, to the end

that the said Steel Company may thereby obtain increased and better facilities for its freight business;

Now, THEREFORE, in consideration of the premises and the mutual covenants hereinafter undertaken, the sum of One Dollar by each of the said parties to the others paid, the receipt whereof by each of the said parties is hereby confessed and acknowledged, and other good and valuable considerations, the said parties have agreed and do hereby agree each with the other as follows; that is to say:

FIRST: As soon as the said railroad extension shall be completed and open for business from Butler aforesaid to a connection with the tracks of the said Terminal Company near Bessemer Station aforesaid, the said Steel Company will offer for shipment over the said railroad of said Railroad Company and its said extension, in each year during the term of this Agreement, a minimum of One million (1,000,000) gross tons of iron ore and a minimum of Three hundred thousand (300,000) gross tons of limestone, and will also offer One-fourth (¼) of such proportion of its manufactured product, the shipment of which it may be able to control, as is destined to or from such points as the said Railroad Company can transport it satisfactorily to the consignees. Should the said Railroad Company extend its line to the coke regions, the Steel Company will also offer for transportation to said Railroad Company not less than one-fourth (¼) of the coke used by said Steel Company.

The said Steel Company shall not be held responsible for a failure to ship the said specified minimum quantities in any one year should it be rendered unable to do so by reason of labor troubles, strikes, accidents, or for any other cause beyond the control of said Steel Company.

The rates to be paid by said Steel Company upon such traffic are as follows:

Upon iron ore, five (5) mills per ton per mile upon an agreed mileage of one hundred and fifty-six (156) miles, from which rate shall be deducted, however, by the said Steel Company, the charges to be paid to said Terminal Company upon said freight, in accordance with the provisions hereinafter contained. For these rates the Railroad Company agrees to

take the said Ore at Conneaut aforesaid, and deliver the same to the said Steel Company upon the tracks of the said Terminal Company.

The rate to be received by the said Railroad Company upon limestone, shall be six (6) mills per gross ton per mile, and upon coke, six (6) mills per net ton per mile, in the cars of the said Steel Company.

The rates to be received by the said Railroad Company upon manufactured products shall be the same rates at which other lines shall offer in good faith to take such shipments, provided, however, that if such rates, together with the Terminal charges hereinafter specified shall, in the opinion of the Managers for the time being of the said Railroad Company, become unprofitable, the said Railroad Company may decline to transport such products.

Should the said Railroad Company give to other shippers rates lower than those fixed by this contract, the Steel Company shall also have the benefit of said reductions.

It is understood that the rates above named are for freight in cars belonging to or furnished by the said Railroad Company, except coke, which is to be transported in the said Steel Company's cars; but, should the said Railroad Company use any of the cars of the said Steel Company for the business of said Steel Company other than coke, then the said Steel Company is to be allowed the customary mileage rate for such cars, loaded or empty.

SECOND: The said Terminal Company, the party of the second part, hereby covenants and agrees to give and grant during the duration of this contract to the said Railroad Company, its successors, or to the corporation owning or controlling the said extension, a right of trackage over its railroad tracks, side tracks, switches and other terminals, from Bessemer Station aforesaid, to Homestead and the Duquesne Steel Works of said Steel Company erected or to be erected, which may be reached by its lines or tracks, for the transportation of freight in and by the trains of the said Railroad, the party of the third part, and at its own expense and cost, subject only to such reasonable rules and regulations as may be agreed upon for the operation of said railroad, with the right

to store coal for its own use, but at its own cost and risk, and to take water for the use of its engines together with the use of the engine houses, turn-tables and other facilities to the extent that may be used in excess of the needs of the said Terminal Company.

The said Terminal Company shall be entitled to receive as a compensation for all the rights, privileges and facilities granted to the said Railroad Company under this agreement, an arbitrary charge upon all freight transported under the terms of this agreement, as follows:

Upon iron ore, on all shipments aggregating one million (1,000,000) tons in any one year, seventeen (17) cents per ton; if over one million (1,000,000) tons and less than twelve hundred and fifty thousand (1,250,000) tons, twenty-one (21) cents per ton; if over twelve hundred and fifty thousand (1,250,000) tons and upwards, twenty-five (25) cents per ton.

It being understood that if the said Railroad Company shall be unable to transport the full amount of ore offered by the said Steel Company, the said Terminal Company shall be entitled to the highest arbitrary charge hereinabove specified, upon such a quantity of ore as shall be so offered by the said Steel Company; it being represented by the said Terminal Company that, by reason of the additional business accruing to it by reason of the construction of said extension, it will be required to expend large sums of money in the acquisition of terminals sufficient to meet the requirements of said business.

Upon limestone from points on the line of said Railroad Company the said Terminal Company shall be entitled to an arbitrary of six (6) and six-tenths (6 10) cents per ton; upon coke, to an arbitrary of one (1) mill per net ton per mile; and upon manufactured products such arbitrary shall be fifteen (15) cents per net ton.

Settlements shall be made monthly for all shipments made hereunder in the month preceding upon the basis of estimated tonnage offered for the year to be fixed by said Steel Company. Should any difference arise by reason of discrepancies between the amount estimated and the amount actually placed at the disposal of the Railroad Company for

shipment, it shall be adjusted between the parties hereto at the close of such year.

THIRD: The said Railroad Company hereby covenants and agrees that it will use due diligence in constructing or causing to be constructed the extension of its said railroad hereinbefore described, from Butler to a junction with the railroad of the said Terminal Company, to the end that the same may be completed and ready to receive the business to be furnished to said extension by said Steel Company, as hereinbefore provided, within two years from the date of this agreement, and will cause said extension and its existing line of railroad to be merged and consolidated, and to be owned and controlled by one corporation, to be known as The Lake Erie & Pittsburg Railroad Company, and that concurrently with the construction of said extension, it will cause to be built all the additional docks and wharves at Conneaut Harbor aforesaid which may be necessary by reason of the additional freight to be transported by said Railroad Company under the terms of this agreement, and that it will also erect or cause to be erected all machinery and appliances of the most improved and effective kind, which may be necessary for the purpose of unloading vessels and cars at Conneaut aforesaid, and that it will also provide all necessary equipment to enable it to transport promptly the amount of freight to be delivered by the said Steel Company under the terms of this agreement.

FOURTH: This agreement shall continue in force for the period of Twenty (20) years from the date hereof, and thereafter until terminated by any party hereto giving Five (5) years notice in writing to the other parties hereto, but such notice may not be given until the expiration of said period of Twenty (20) years.

FIFTH: In case any difference or disagreement shall arise between the parties hereto with reference to the proper construction of any of the foregoing covenants or provisions of this agreement, or the rights and privileges of any party thereunder, the same shall be submitted to arbitration as follows: Upon written notice by any party of its purpose to submit

any such question to arbitration, said parties of the first and second parts, shall select a disinterested person as arbitrator, and the said party of the third part shall also select a disinterested person as arbitrator, and the two thus selected shall select a third, who shall also be disinterested, and in case the said two arbitrators shall fail, neglect or refuse to select a third, as hereinbefore provided, then said third arbitrator may be appointed by any Judge of the United States Circuit Court for the Third Circuit; and said arbitrators shall, at such point as shall be determined by a majority thereof, hear the parties and such evidence as shall be submitted, and shall, within thirty days from the date of their appointment, unless all parties assent in writing to further time, determine such question and make their award thereon in writing, which shall be final and binding to and upon all parties, and a majority of such arbitrators shall decide.

IN WITNESS WHEREOF, etc.

* * *

The matter was fully discussed for a half hour, several Resolutions being offered and withdrawn; finally, on motion, (Singer and Phipps), it was

RESOLVED, That the Officers be and are now hereby authorized and empowered to execute, on behalf of this Association, the tripartite Agreement, set forth foregoing, between the Carnegie Steel Company, Limited, the Union Railroad Company, and the Pittsburg, Shenango & Lake Erie Railroad Company; and

RESOLVED, That the Agreement, after its execution, be sent to Andrew Carnegie, to be held in escrow until the financial arrangements of the Pittsburg, Shenango & Lake Erie Railroad Company are in such shape as to assure the carrying out of the Contract on its part, such time being limited to Thirty (30) days;

The vote being "Aye": MM. CURRY, SCHWAB, LOVEJOY, PHIPPS, PONTEFRACT, PEACOCK, SINGER and LEISHMAN.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, May 5, 1896, there were present MM. FRICK (Chairman), LEISHMAN, SINGER, CURRY, PHIPPS, PEACOCK, SCHWAB, PONTEFRACT, and LOVEJOY (Secretary); also THOMAS MORRISON.

* * *

MR. LEISHMAN: "The Agreement between the Pittsburg, Shenango & Lake Erie Railroad Company, the Union Railroad Company and this Association has been turned over to Mr. Carnegie, and I understand it has been delivered by him to S. B. Dick. I understand further that the Butler & Pittsburg Railroad is to be built; Dick having secured sufficient money for the undertaking."

MR. FRICK: "Mr. Carnegie stated to me last Saturday that a majority of the Stock of the Pittsburg, Shenango & Lake Erie Railroad Company had been deposited in a trust, so that the objects of his agreement and co-operation with Colonel Dick will not be defeated."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, May 12, 1896, there were present MM. FRICK (Chairman), LEISHMAN, CURRY, SINGER, PHIPPS, PONTEFRACT, PEACOCK, SCHWAB, and LOVEJOY (Secretary); also MM. ANDREW CARNEGIE and GEORGE LAUDER.

* * *

MR. FRICK: "Mr. Carnegie and I had an interview with the Pennsylvania Railroad officials at Philadelphia yester-

day, with a very satisfactory result. We are on good terms with that Road; made an advantageous freight arrangement on Ore, Coke and Limestone, as well as on other shipments in and out; and the Butler & Pittsburg Road will go out."

Mr. Carnegie followed with some interesting details of the interview, saying that the arrangement is a very good one, better than could have been made had the action regarding the new Road been not taken.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, June 2nd, 1896, there were present MM. FRICK (Chairman), CURRY, SINGER, PHIPPS, PONTEFRACT, SCHWAB, and LOVEJOY (Secretary); also MM. LAUDER, CLEMSON and BOPE. (Mr. Leishman in New York; Mr. Peacock in Chicago.)

* * *

MR. PHIPPS: "Mr. Peacock reports from Chicago that the Universal Construction Company has agreed to abide by Association prices."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, June 23, 1896, there were present MM. FRICK (Chairman), LEISHMAN, SINGER, CURRY, PHIPPS, PONTEFRACT, PEACOCK, SCHWAB, and LOVEJOY (Secretary); also GEORGE LAUDER and THOMAS MORRISON.

* * *

MR. LEISHMAN: "The Rail Pool is in very tender shape, and requires most careful handling. There are times when a hasty word might dissolve it. If the Pool goes to pieces, we can get 400,000 tons of Rails to make, but Eastern Railroads will not take over .06 phosphorus. I believe the Roads will pay more for Open Hearth Steel Rails than for Bessemer, especially if the Pool ceases and the price is cut."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, June 30, 1896, there were present MM. LEISHMAN (President), SINGER, PHIPPS, SCHWAB, PONTEFRACT, and LOVEJOY (Secretary); also JAMES GAYLEY and H. P. BOPE. (MM. FRICK and CURRY in the Northwest; MR. PEACOCK in New York; MM. LAUDER and MORRISON en route for Europe.)

* * *

MR. LEISHMAN: "We have concluded, during the past week, with the Illinois Steel Company, negotiations which have been pending since December for a division of Rail business, and since April on the Billet business.

"The Rail orders are to be divided equally between the two Companies, during 1896 and 1897, on a Contract similar to those of 1894 and '95, excepting that the basis, instead of being $19.00 and $20.00, is $4.00 and $3.00 below the average proceeds of the Rails shipped each month by both companies, with a penalty at the end of each year of $3.00 per ton on any excess of shipments over one-half.

"The Billet allotment from the Bessemer Steel Association of the United States, together with such allotments to other manufacturers as we have purchased, are to be divided equally between the two Companies, during the years 1896 and '97; with the provision, that should the Bessemer Steel Association cease to exist, the sales of Billets by the two

Companies are to be divided equally during the balance of the two years.

"This last is simply a working agreement, and does not cover any pooling of proceeds."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, July 7th, 1896, there were present MM. FRICK, (Chairman), LEISHMAN, SINGER, CURRY, PEACOCK, PHIPPS, PONTEFRACT, SCHWAB and LOVEJOY (Secretary).

* * *

MR. LEISHMAN:—"I refrained from making any further remarks before the vote was taken as to the present situation in the Rail Makers' Association.

"The Indianapolis people demand what is equal to about $400,000.00 for two years, being $70,000.00 rental for two years, $150,000.00 per year for two years from May 1st as a payment for staying out of the Rail business, and a concession on each ton of Billets they purchase. The Rail Makers' Association, after considerable discussion, authorized me to accept the proposition if I thought it advisable. I met the Indianapolis people, and, understanding from another source they are obligated to run the Plant, asked to see their lease. They did not refuse to show it to me, but made excuses, and I have not seen it yet. If we should make an agreement with them, and they should shut the works down, their lease might be cancelled, and our payment, which they ask in installments in advance, would have been made for nothing.

MR. FRICK: "It is a serious matter, but I would stop negotiations. It should not disturb the Rail Pool, as they can be handled better with the Rail Pool than otherwise."

MR. LEISHMAN: "If we do not close with them, they will

probably go ahead and take 50,000 or 75,000 tons of Rails, which we cannot spare in the present condition of the market, and will make a lower price, which the Railroads will compel us to meet. We are paying out too much blood money, with the prospects of the amount increasing. It is costing nearly a million this year; maybe a million and a half next year; and two million the next; so that I do not see how the Rail Makers' Association can be held together much longer."

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, August 4, 1896, there were present MM. LEISHMAN (President), PHIPPS, PEACOCK, PONTEFRACT, SCHWAB, and LOVEJOY (Secretary); also MM. GAYLEY and MORELAND, (MM. FRICK and SINGER in Europe; MR. CURRY at the seashore).

* * *

The following letter from Andrew Carnegie was read, and ordered placed upon the Minutes:—

"July 22, 1896.

"If Mr. McCague lets a week pass without getting a reduction, he isn't the man for so important a place. I hope he is getting the private rates of competitors and using them to enforce reductions for our traffic. He ought to report to Board every week what he has been about, and *what done*.

Wired you today about Bonus. We ought not to lead in reduction. I am clear about that. Matters will soon develop, and I fear there will be no question of Bonus giving, in a month hence.

Business impossible since Bryan is seriously in the race, and a very little will precipitate a panic at any time. Only one course,—Safety; save every dollar; reduce stocks; keep very strong; take money and keep Bills Receivable.

If things get very bad, it will be advantageous to let Billet Pool and Beam Association go, and then take every

order otherwise we come to a stop, and only feed competitors who would close if we went to rock prices. Pools only keep the weak alive, as I have always said—in a crisis they are fatal to the strong one who can run and scoop every order. I do hope the Board will realize this—cut loose and go in and run, rather lose a little than shut down. With Rails only it is different.

This Policy has succeeded always, and is *the* policy now. To keep running, not to make profit is the point we should steer to."

Mr. Leishman: "I think every member of the Board is satisfied that Mr. McCague is looking after his Department properly. He keeps the officers advised currently, and I really do not think the Board cares to have a weekly summary of all the business he does."

Mr. Phipps: "I agree with Mr. Leishman in this."

Mr. Leishman: "I do not think either the Billet or Beam pool keeps us from getting a single order. A break in prices would not get us business. If it becomes necessary, however, we will make the break."

Mr. Peacock: "We break prices every day, and do not lose any business by too high a price."

Mr. Leishman: "The only thing that would increase business, and that probably would not be immediately, would be a break in the Rail Pool. That is the only place where we are suffering for tonnage. With a break in the price, I think Bethlehem, Cambria, Colorado and Johnson would make very few rails."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, September 8th, 1896, there were present MM. Frick, (Chairman), Lesh-

MAN, CURRY, PHIPPS, PEACOCK, PONTEFRACT, SCHWAB, and LOVEJOY (Secretary); also THOMAS MORRISON and GEO. E. McCAGUE.

* * *

MR. PEACOCK: "Our Order mail keeps up well, but new business is light.

"The Eastern Beam Manufacturers are not holding prices; that is, they are not cutting the nominal Beam price, but are throwing in extras. They are taking Contracts for buildings with erection below cost. At the 1.7 cent price we are losing business. Whitney thinks we should make the price 1.5, but I think we should go at once to 1.3, then there could be no cutting.

MR. LEISHMAN: "Whitney wants a meeting called for next week, but I told him to wait a little. The Architects have plans in hand for buildings, requiring about 25,000 tons for this year, and we would like to get some of this before calling a meeting and making an open cut in the price."

MR. FRICK: "If it does not affect the price of Beams already sold, I think we should not lose any business in New York because of the price."

MR. LEISHMAN: "The price on Contracts already made would not be changed."

MR. FRICK: "It appears to be the sense of the Board that we should secure this 25,000 tons, cutting to 1.3c if necessary."

To this all agreed.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg Pa., at 12:30 P. M. on Tuesday, September 15th, 1896, there were present MM. FRICK (Chairman), CURRY, PHIPPS, PONTEFRACT, PEACOCK, SCHWAB, and LOVEJOY (Secretary); also THOMAS MORRISON, D. M. CLEMSON and GEO. E.

McCAGUE. (MR. LEISHMAN at Hot Springs, Virginia, with M. E. INGALLS).

* * *

MR. PEACOCK: "We have taken in the last week Four new buildings, covering about 3,000 tons. Business is light. We are figuring now on Rails for China and Japan. Mr. Leishman had agreed with J. W. Gates on a price of £5. Mr. Gates does not want to keep this agreement, and says today we should quote £5-1-6. The price of £5 was positively agreed upon in New York, was given in writing to Back & Manson, and by them verbally to China and Japan.

"I told Mr. Gates we must maintain the price agreed upon. He wanted the matter referred to Mr. Frick. I so referred it, and telegraphed him Mr. Frick's opinion was we should not change the price. I would like the opinion of the Board in this matter.

MR. FRICK: "I think it would be a mistake to change the price. It has been given out, let us stand by it."

To this all agreed.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa. at 12:30 P. M. on Tuesday, November 3d, 1896, there were present MM. FRICK (Chairman), LEISHMAN, SINGER, CURRY, PHIPPS, PEACOCK, SCHWAB, and LOVEJOY (Secretary); also MM. LAUDER and McCAGUE. (MR. PONTEFRACT at home ill).

The Minutes of the Meeting of the Board of Managers held October 27th, 1896, were read, and, on motion, approved.

MR. LEISHMAN: "I would like the opinion of the members of the Board as to the advisibility of leasing the Rockefeller ore properties. This matter has been pretty well con-

sidered, and Mr. Carnegie seems quite anxious it should be done. The different points have been set out in a memoranda, which I will ask the Secretary to read."

The same was read, as follows:—

"1. Oliver Co. ¾ Carnegie ownership to lease Mt. Iron & Rathburn mines 50 years; royalty 25 cents, minimum 600,000. No distinction to be made in mining between two properties.

2. Ore to be hauled by D. M. & N. Ry. at current rates. If rate falls below 80, royalty to be correspondingly raised.

3. Improvements and machinery to be turned over to Oliver Co. The idea is that the O. Co. is to be put in same shape as if it had itself made the expenditures. Interest question unsettled. Question of terms of payment unsettled.

4. Messaba Mt. lease to be amended.

(1) To be coterminus with state lease.
(2) Minimum to be 600,000, of which 500,000 may be mined out of Lone Jack.
(3) Royalty on Messaba to be fixed permanently at 50 instead of 65 cents.

5. Same arrangement as to rail freights as above with Mt. Iron.

6. Neither Carnegie & Co., nor Mr. Oliver to sell any of the ore except in cases to be specified.

7. Any forfeiture of one lease to work forfeiture of the other or else an increase of minimum of remaining lease from 600,000 to 1,200,000 tons.

8. Bessemer S. S. Co. to have preference for haul at same price as to 80%.

9. Carnegie and Oliver Companies to buy all their Messaba & Gogebec ores not mined from these leases from the mines in which J. D. R. is interested at rates current, rates being understood to be competitive rates.

10. No more purchases or leases by O. or C. on the Messaba range during first ten years of existence of leases or either on penalty of forfeiture.

11. As to Sheridan:

(a) Oliver Co. not to sell same without first giving us opportunity to buy at cost and 6% interest.

(b) Same rule as to sales to apply to Sheridan as to the M. I. & M. M.

(c) Freight to go to D. M. & N. at current rates."

MR. LEISHMAN: "This is not exactly a proposition from Rockefeller, but it is what Mr. Gates says he is prepared to recommend to Mr. Rockefeller. I have a note from Mr. Carnegie."

The same was read as follows:

"Mr. Oliver tells me, in his opinion if we don't accept offer before McKinley's election, we shall probably lose it. He is in favor of closing now.

"Curry is, I know. I am willing now.

"Seems risk of lower freight rate is small, and we can stand the reduction proposed, which was only 15 cents."

A general discussion of the matter followed, during which the members expressed themselves substantially as follows:

MR. CURRY: "Before making any arrangement with Mr. Rockefeller, we should have a satisfactory understanding with H. W. Oliver. Have we any arrangement?"

MR. LEISHMAN: "No. We told him in New York that we should have a larger interest in the Oliver Mining Company; that we should have four-fifths. Mr. Oliver offered to sell us one-fourth additional for $300,000.00, and it is on the basis of our getting another quarter, making our interest three-quarters, that the memorandum which has just been read was made. We told Oliver that price was too high, but nothing further was done."

MR. FRICK: "We should have at least four-fifths."

MR. LAUDER: "Rather than miss this entirely, it would pay us to take it as it stands. There are many features in the proposed agreement which we would not be justified in undertaking, but they could no doubt be arranged if Mr. Carnegie and Mr. Rockefeller will get together. I think this could well be left to MM. Carnegie and Leishman to make the best arrangement they can."

MR. FRICK: "Would you be willing to be tied up, so that if freight rates are reduced we derive no benefit whatever?"

MR. LAUDER: "No; I do not like that."

MR. CURRY: "We should not let this get away from us. We can get these clauses about freight rate and purchase of ore so they will not be burdensome to us. If we make this agreement, it will have the effect of keeping Mr. Rockefeller out of the steel manufacturing business.

"We have an offer of a controlling interest in the Mahoning Ore Company, or can get the entire Capital Stock. That Company holds under lease about 1,000 acres of Messaba ore lands in the western part of present ore developments. The minimum annual shipment is 300,000 tons, at a royalty of 27½ cents per ton. The Capital Stock is $200,000.00 Cash, and the indebtedness of the Company at the end of this season will amount to about $100,000.00, making $300,000.00 expended in exploration, equipment and development. The entire Capital Stock is offered for $600,000.00, the purchaser to assume the indebtedness of $100,000.00. The National Tube Works Company people own about 20% of the Stock, which they prefer to retain, but will sell if we desire."

(In reply to the Chairman):

"Even with this offer before us, I would advise closing with Rockefeller."

MR. LAUDER: "The clause preventing us from taking any more leases is a bad feature."

MR. CURRY: "They will not waive that clause."

MR. LOVEJOY; (In reply to the Chairman):

"The details of this negotiation are entirely new to me, but there are some features which seem objectionable."

MR. SCHWAB, (In reply to the Chairman):

"This is an entirely new subject to me, and I am not prepared to express my opinion."

MR. PEACOCK: "If we do not accept before McKinley is elected, the offer will probably be withdrawn."

MR. CURRY: "This is not an absolute offer. Gates says it is what he would recommend to Mr. Rockefeller."

MR. PHIPPS: "It is a very serious matter to tie ourselves

up for 50 years. I have not given the matter much consideration yet."

MR. CURRY: "We can give it up at any time by surrendering all we have done, and forfeiting the property."

MR. SINGER: "I would not like to vote on this question today. There are many parts of that paper which seem very important ones."

MR. LEISHMAN: "As we will never have at stake any more than the Oliver Mining property, I would favor making an agreement with Rockefeller, provided they will modify the restrictions somewhat. If they will not do this, would not favor it at all. There are some things we can probably have modified. The Lake freight matter should not be in the shape of an option to them, but they should agree to carry at competitive rates. Tying ourselves up to buy their ores is not fair, because they are not giving us any equivalent."

MR. FRICK: "I do not think the negotiations should be continued until we have a clear and distinct understanding with H. W. Oliver. I would not favor the proposition as made, and would not agree that Rockefeller should have the benefit of all of any reduction in freight. We might give him one-half of any difference in freight rate, but we should not bind ourselves to buy ore. The rail freight named is high, and will probably be reduced."

MR. CURRY: "Mr. Gates met that objection by saying that if the rate were reduced to even 60 cents, this property would still put ore into vessels cheaper than any other property in the State. Their road is through a swampy country, and when the ore and lumber is exhausted, they will have no other freight."

MR. FRICK: "We seem to be negotiating with a man who is without power to act, and after the negotiations are completed, if Mr. Rockefeller is not satisfied, he can upset the whole matter."

MR. LEISHMAN: "No doubt Mr. Rockefeller is familiar with the conditions submitted by Mr. Gates. I do not like their dragging in The Carnegie Steel Company, Limited: they should deal with the Oliver Mining Company alone, and not ask us to agree not to buy ore."

MR. CURRY: "I think the freight matter could be arranged on a preference on one-half of our tonnage. They have a large fleet of vessels, and are anxious for business.

"The preference on their ores, I think, could be arranged also, but I fear it would soon become known that we had agreed to give Rockefeller the preference, and it would hamper us in our ore purchases."

MR. LAUDER: "We should give them the preference only on ores of a quality that met our requirements."

MR. CURRY: "I think that could be fixed in a way that would protect us. At the most he would not want to sell us more than 500,000 to 600,000 tons, leaving a large quantity to be bought on the market."

MR. SINGER: "In the present state of the case, we should decide on what basis we can go in. As it is we do not know what arrangements we can make with Oliver."

MR. FRICK: "If we fail in this, we have put Rockefeller in the humor to take care of his own ore."

MR. CURRY: "If we are justified in thinking business will be good for the next few years, we can make enough out of this arrangement to pay us, and drop it when it is not to our advantage to continue.

"Mining will not cost over 15 cents, which with the royalty and the freight, will make the ore cost $1.20 at Duluth."

MR. LAUDER: "It is hard to conceive of conditions where that is not very cheap ore."

MR. LEISHMAN: "I would feel like waiving the freight matter."

MR. CURRY: "I believe we can make most money by accepting this arrangement, with such modifications as we find we can make."

MR. FRICK: "I would propose the following as the sense of the Board:—

"(1st) Become the owners of 4/5ths of the stock of the Oliver Mining Company, provided we can purchase from Oliver at a value of $500,000.00 for the whole Capital Stock.

"(2nd) Lease from Rockefeller the properties proposed, agreeing to 1,200,000 tons minimum; to share equal in freight

reduction; and give him the preference for Lake transportation on one-half of our tonnage.

"(3rd) After mining from Sheridan, to buy from Rockefeller any other Messaba ore we might need, provided he can furnish a satisfactory quality at a price equal to what we could buy it at from others.

"(4th) To let Rockefeller transport by rail and boat ore from Sheridan, if done at the same price as offered by others."

MR. LEISHMAN: "We tried to get the Lake transportation down to one-half, and also to get a modification on the 80 cent freight and 25 cent royalty clause; but these are absolutely fixed, they will not modify them."

MR. FRICK: "That is what Gates said, is it not?"

MR. LEISHMAN: "We worked on the freight and royalty matter for some time, and I think that is what Mr. Rockefeller says."

MR. FRICK: "If Rockefeller does not go into the steel business, some one else will."

MR. LEISHMAN: "But very few people are hunting places to invest an income of fifteen million."

MR. CURRY: "If we make this arrangement with him, there is no danger of his going into the steel business. He simply wants a consumer, and will be giving up his best property."

MR. FRICK: "If Mr. Carnegie will go to Mr. Rockefeller, I believe he can get something better than this proposition."

MR. CURRY: "I think the Resolution offered by the Chairman is fair, but I would not stand on it finally."

MR. LEISHMAN: "If that is the best the Board will do, we may still have to turn it down."

MR. FRICK: "I would myself agree to some modification rather than lose the opportunity. It is not given as an ultimatum, but is what the Board considers fair and just."

MR. McCAGUE: "If we look back 50 years, and consider what a great reduction there is in the cost of transporting ore, and then look ahead 50 years and estimate what further saving can be made by the use of electricity or some other motive power, the clause requiring us to add to the royalty any

reduction in freight rate seems objectionable. Within fifty years there may be more in it for the Railroad Company at 20 cents than there is now at 80 cents."

MR. CURRY: "If this were accepting a fixed responsibility for 50 years, I would not consider the proposition at all. We can give it up at any time."

MR. LEISHMAN: "Gates says even if freight rates are cut this ore can be mined so cheaply that we will have just as cheap ore as any one else."

MR. FRICK: "I do not agree with that; some one may go into the same district.

"If there is no objection, what has been recorded as the sense of the Board will so stand."

To this all agreed.

MR. LEISHMAN: "There are to be two Association meetings next week; the Bessemer Steel Association on Tuesday, and the Rail Makers' Association immediately following; both in New York. I would like the opinion of the Board as to our policy.

"As to the Steel Association, we have gained by it so far. We have not sold much more tonnage, but it has helped to maintain prices, and has enabled customers, who had previous contracts, to take Billets and sell their products. It has a good effect too in maintaining prices on Rails and Billets."

MR. FRICK: "I think it may be recorded as the sense of the Board that the President should, in accordance with his own views, vote to continue the soft Steel Association, provided he can protect our interests fully."

MR. LEISHMAN: "We can not get as much tonnage with the Pool as without it, but we can get better prices."

MR. FRICK: "I think it is a mistake to try to get too much.

"As to the Rail Makers' Association, it would be a great mistake to let that go to pieces, especially on the eve of an improvement in business."

MR. LEISHMAN: "I think we should reduce the price of Rails to $25.00 Pittsburg."

MR. LAUDER: "I think there should be a reduction, and would vote for the lowest we can carry."

MR. FRICK: "I would not go below $26.00."

MR. LAUDER: "After all it is the Railroad men who fix prices."

MR. LEISHMAN: "We have new people in the Rail business to contend with. The Indianapolis Mill is a fifth rate mill, making only, if they complete the improvements they say they will make, from 150 to 200 tons per day. This is a small tonnage, but they can affect prices. We should either make the price too low for them, or let them in with an allotment of say 50,000 tons."

MR. FRICK: "If we have a fair year, we will have 1,000,000 tons of Rails, and could afford to pay the Indianapolis Mill pretty well and still have something left."

MR. LEISHMAN: "We would have been satisfied to pay them a fair amount this year, if they would not make Rails, but they could not deliver the goods. They had leased the Plant from the Receiver, and had agreed to run. They wanted us to pay them for two years in advance, and run the risk of a suit by the Receiver, with a possible forfeiture under breach of contract."

MR. FRICK: "We are all in favor of a Rail Makers' Association, and can leave this in the hands of the President."

To this all agreed.

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Friday, November 6th, 1896, there were present MM. FRICK (Chairman), LEISHMAN, SINGER, CURRY, PHIPPS, PEACOCK, SCHWAB, and LOVEJOY (Secretary); also MM. ANDREW CARNEGIE, GEORGE LAUDER and THOMAS MORRISON. (Mr. PONTEFRACT ill.)

The Minutes of the Meeting of the Board of Managers held November 3d, 1896, were read, and, on motion, approved.

The memorandum made by Mr. Curry as to what is offered this Association as the property of the Mahoning Ore

Company, a synopsis of which was recorded in the Minutes of November 3d, was read in full, as follows:

"The Mahoning Ore Company holds under lease from the lumbering firm of Wright & Davis, about 1,000 acres of Messaba district ore lands with the right until April 1, 1897, of taking leases on any part of 1,000 acres additional of any of the lands owned by Wright & Davis.

All of the lands of Wright & Davis are in the Western part of the present ore developments in the Messabe Range. The Mahoning Ore Company's explorations and developments (which have resulted in their selection of the 1,000 acres now leased) are principally in the vicinity of the town of Hibbing, which is the present western terminus of the Rockefeller Railroad, and near which are located the Superior mines of the Lake Superior Consolidated Iron Co., and the Sellers mine, which is leased and operated by Shoenberger Steel Company, Carrie Furnace Company and Mackintosh, Hemphill & Company.

From the 1,000 acres now leased, the minimum annual shipment is 300,000 tons, at a royalty of 27½ cents per ton; if additional lands are leased, the annual shipment will be increased 8,000 tons for each 40 acre tract leased; it is thought that a sliding scale arrangement can be made, under which a production of 1,000,000 tons would reduce the royalty to 15 cents.

The Capital Stock of the Mahoning Ore Company is $200,000.00, all of which was paid in cash. As nearly as can be estimated now, their indebtedness, after all the ore shipped this season is paid for, will amount to about $100,000.00. The cash capital and debt have been expended in exploration, equipment and development of the property. It is estimated that $150,000.00 has been expended in stripping the ore body; from which there was shipped,

In 1895, about 118,000 tons;
In 1896, about 167,000 tons

The ore shipped from this property has been of three grades, the shipments of 1896 being as follows:

	Mahoning.	Shenango.	Beaver.	Total.
Shipment	7,000	115,000	45,000	167,000
Average analysis of season:				
Iron	63.000	64.000	64.800	.....
Phosphorus	0.047	0.065	0.085	.....
Manganese (below)	.500	0.500	0.700	.....

The amount of ore now stripped and ready for mining by steam shovel work is estimated at 3,000,000 to 4,000,000 tons (Mr. Curry: "That has been changed now to 6,750,000 tons."); the expenditure for stripping being estimated, as stated above, at $150,000.

The property on which this development exists consists of eight 40 acre tracts, extending two miles in a direct line from the Sellers mine on the east to the Sheridan mine on the west; on the four 40 acre tracts west of the Sellers, no important exploration has been made by the Mahoning Company, but work which has been done by the Rockefeller interests on their property immediately south shows the existence of a large body of ore on that ground; this, in connection with the Sellers ore body on the east, makes it reasonably certain that a good body of ore will be found on these four 40 acre tracts of the Mahoning Company. The other four 40 acre tracts extending to the line of the Sheridan mine have been thoroughly explored; the work showing a continuous body of ore nearly one mile long, averaging about 1,000 feet wide and not less than 100 feet thick; which is estimated to contain not less than 59,000,000 tons of ore, the greater part of which can be mined with the steam shovel.

In this, as in most of the Messaba stripping deposits, the poorer grades of ore are nearest the surface, and these must be removed before the best grades are accessible; it is claimed that the product of future years will be much more largely of the Mahoning (Bessemer) grade, than it has been in the past.

Records of other explorations show the existence of

other large bodies of ore, some of them being of exceptionally good quality. One 40 acre tract lying west of the Rockefeller Co.'s Hull Mine (the ore from which analyzes about 65% iron and about .03% phosphorus) contains an ore body which covers about two-thirds of the area, and is estimated to contain 3,000,000 tons; analyses of the ore from this body, average:

About 63.500% iron; and
below 0.035% phosphorus.

The explorations have been so extensive that full details cannot be given here; the records have been kept in a very systematic way, and show fully all that is necessary for a clear understanding of the extent and quality of the ore deposits, and of the possibilities of economical mining.

The leases from Wright & Davis provide that all of the ore mined under them shall be stripped (sic) over their Duluth, Mississippi River and Northern R. R., the rate to be always as favorable as the rate made by other Railroads operating in the Messaba district.

Based on Royalty at 15 cents;
Rail Freight 80 "
Lake Freight 75 "

Ore from the "Open Work" mines can be delivered at Lake Erie ports for less than $2.00 per gross ton, including an allowance of 10 cents per ton for stripping and depreciation of plant.

The entire Capital Stock of the Mahoning Ore Company ($200,000.00) is offered for $600,000.00; the offer being good until November 24th, 1896; the National Tube Works Company people own about twenty per cent of the stock, which they prefer to retain, but they would sell if we decide to buy the other interests and prefer to own all of the stock. They consider that their capacity for Messaba ore is about 200,000 tons per annum, which would make their interest in the Company equivalent to a total production of 1,000,000 tons of ore."

As was also a letter from Wright, Davis & Co. to W. B. Schiller, dated October 30, 1896, as follows:

"After conference with you in which you represent that you hold an option for the stock of Mahoning Ore Company to the extent of about three quarters thereof, and that you are desirous of interesting Carnegie Steel Company in the purchase of such interest, and for that purpose desire to know whether we would in the event that you succeeded in so interesting Carnegie Steel Company make any modification in the rate of royalty under its lease of April 1, 1895, and also extend time in which to make selection of the second one thousand (1,000) acres under the agreement of April 19, 1893, and agreement supplemental thereto, permit us to say that if you prevail upon Carnegie Steel Company to take such stock in the Mahoning Ore Company upon which you so hold an option with a view of operating the mines covered by the lease to the Mahoning Ore Company we will make the royalty under such lease from and after January 1, 1897, on the following basis, viz.:

Minimum to be 500,000 tons per year, royalty to be 20 cents per ton. When shipments aggregate 700,000 tons for such year, royalty to be 17½ cents; when shipments aggregate 1,000,000 tons, for such year, royalty to be 15 cents; when shipments aggregate 1,500,000 tons, for such year, royalty to be 12½ cents; shipments referred to, to be in excess of any ore paid for in any prior year and not removed in that year, and will extend the time in which to make the further selection under the agreement of April 19, 1893, before referred to, to January 1, 1898, if during 1897 you mine from the property and ship over the Duluth, Mississippi River and Northern R. R., and its connections under the terms of the present traffic arrangement 500,000 tons of ore we will then extend the time to January 1, 1899; if during 1898 you so mine and ship 600,000 tons of ore we will then extend the time to January 1, 1900; if during 1899 you so mine and ship 700,000 tons of ore we will then extend the time to January 1, 1901; if during 1900 you so mine and ship 800,000 tons of ore we will then extend the time to January 1, 1902.

We will hold this proposition open until November 24,

1896, and in the event of your succeeding in interesting The Carnegie Steel Company will then put it in formal shape with the Mahoning Ore Company."

A discussion followed as to the advisability of our purchasing this property, as well as the advisability of leasing certain Ore lands from John D. Rockefeller, discussed at the last meeting.

Mr. Carnegie drew an extended comparison between the Mahoning and the Rockefeller propositions, and said: "The way I look at it now, if I were to decide today, I would rather take the Mahoning lands than be bound up with the Rockefeller people; would rather have the Mahoning and be free."

MR. LAUDER: "They are both pretty good."

MR. CURRY: "If we can keep Rockefeller out of the market, it is worth something."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, November 17th, 1896, there were present MM. FRICK, (Chairman), LEISHMAN, SINGER, CURRY, PHIPPS, PEACOCK, SCHWAB, and LOVEJOY (Secretary); also MM. GEORGE LAUDER and D. M. CLEMSON. (MR. POTTEFRACT ill.)

The Minutes of the Meetings of the Board of Managers held November 6, 7 and 10th, 1896, were read, and, on motion, approved.

MR. LEISHMAN: "MM. Clemson and Smith have returned from an examination of the Mahoning Ore properties, and have made a written report, which is now submitted."

The same was read, as follows:

"We herewith submit the following regarding the Ore property of the Mahoning Ore Company, located near Hibbing, Minnesota:

Nothing can be said of Nos. 1 and 2 mines further than is shown by maps and reports of development made by W. C. Agnew, General Manager, all of which are herewith submitted. As to development work on No. 3 mine, which embraces four tracts of forty acres each, (being the western limit of their present operations), it has been quite thoroughly and systematically done. At present there is twelve acres stripped, from which about three hundred thousand tons of ore has been shipped. From the average depth of ore as shown by test pits, we estimate that five million tons of ore can be shipped from this mine, i. e., that part of the mine now stripped, (see map 2), but the thirty acres as shown by maps Nos. 2 and 3 should produce fifteen million tons provided the depth of ore as shown by test pits proves correct.

All statements made by the Mahoning Company, so far as we have been able to verify, have proven correct.

This report is made quite brief on account of the fact of our submitting in full, maps and reports of development work made by Mr. Agnew, and can only be explained fully by referring to same.

Our belief is, from examinations made, that the Mahoning property is a valuable one, and we recommend the purchase of same providing the ore is of a quality suitable to your use; and further, the Sheridan property could be operated very much more advantageously by your owning this property than otherwise, as it would simply mean a continuation of operations on Mahoning property, the Sheridan joining the Mahoning mine on the West.

COMPARATIVE ESTIMATES.

There is about twelve acres stripped, under which lies about 5,500,000 tons of ore. To strip eighteen acres additional, which have been thoroughly tested, it will cost $193,270.00. Under this lies 9,500,000 tons of ore, which would make the cost of stripping about two cents per ton of ore.

These estimates are made on depth of stripping (20 ft.) and thickness of ore (150 ft.), as furnished by the Mahoning people, and the cost of stripping, at 35 cents per cubic yard. Actual results may change the figures somewhat, but it is

safe to say stripping will not cost less than two cents per ton, or more than two and one-fourth cents (2¼c.) per ton on that depth of ore.

Mountain Iron.

There is thirty acres stripped, and the depth of ore yet to be mined is quite certain to be sixty feet, which would give them 6,000,000 tons of ore, without any additional cost for stripping.

Biwabik.

The greater portion of the ore stripped has been mined, at least one-half of its depth. Estimating that there is eight acres stripped, there would be twenty-two acres yet to strip to put it on the same basis as Mahoning and Mountain Iron. The stripping is quite heavy and will cost $15,000.00 per acre, or $330,000. Estimating the ore at sixty-six feet deep, you will have 6,600,000 tons; deducting 600,000 (estimated) shipped, you have 6,000,000 tons.

My former recollection of Biwabik is, that there is at least forty acres under which there is ore.

Oliver.

At this mine the stripping is practically all done, and a very large amount of ore is in sight. I made no estimate of quantity here, preferring to leave that to those who know more about it.

At Mountain Iron the tracks run through, or across the entire property. At Mahoning the same could be done by extending the developments further west, and ultimately open the Sheridan in connection with this mine, which would be the proper way to work the latter.

At Biwabik the stripping is being done, so that the tracks can be run through the entire property.

At Oliver the mine is reached from one end only, and cannot be taken out any other way.

The question of drainage or pumping will be about the same at all, except Biwabik; it will cost less than any of the other properties.

Please note analyses of Mahoning ore given below:

Shaft.	First.	Iron.	Phos.	Mang.	Silica.	Lime.
79	25′	65.65	.035	.11	2.38	.38
100	20′	62.72	.026	.32	6.12	.42
96	26′	65.35	.056	.09	2.62	.51
73	20′	60.43	.051	1.91	6.02	.12
75	20′	63.27	.063	.08	4.58	.31
76	18′	60.37	.067	1.16	6.37	.08

Mag.	Alumina.	Sulphur.	Organic Matter.
.14	.81	.004	2.19
.07	1.53	.001	2.29
.65	.93	.012	4.10
.08	2.03	.005	3.02
.63	1.32	.006	2.86
.07	2.11	.008	4.54

The plans referred to therein were also shown and explained.

MR. LEISHMAN: "Previous reports estimated the quantity of ore at not less than 50,000,000 tons, while this report shows only about 15,000,000."

MR. CURRY: "Both are correct; but the 50,000,000 tons cover the entire tract, while this report includes only the land where stripping has been done. The estimate of Mountain Iron ore is based on a depth of 60 feet, but it undoubtedly goes to a much greater depth. They do not want to test this until the litigation now in progress has ceased."

MR. FRICK: "MM. Carnegie, Schiller and I discussed this matter in New York last week. Mr. Carnegie wrote a form of proposition to be made by the Mahoning Ore Company people, reading as follows:

'The Carnegie Steel Company, Limited, to be given a half interest in the Mahoning Ore Company. The Carnegie Steel Company, Limited, to furnish the money to pay floating debt, and develop the mine, at 6% per annum, repayment to be made from profits, or take 5 year Bonds of the Company at same rate of interest. Each party to have right to take his pro rata share of ore mined; and if any decline to do so,

surplus may go any others willing to take it, at Cost, so that lowest royalty may be reached. For extension of option on Stock for two years, The Carnegie Steel Company, Limited, will pay $30,000.00 in Cash.'

"Mr. Schiller was to see the parties, and report what arrangement he was able to make.

"Later, Mr. Schiller said he doubted being able to make such an arrangement; but thought he might be able to purchase their interests at $200.00 per share.

"Mr. Schiller reported yesterday that he has an appointment with the Mahoning Ore Company people in Youngstown for tomorrow, and added that he did not think it good policy to make the proposition we had discussed, as he would have to name us as the parties for whom he was negotiating; and if the Youngstown people found Carnegies were considering the purchase, they would not consider any reduction in the price of $200.00 per share already given. We told him to postpone the meeting until Friday, and we would give him a definite answer on Thursday."

MR. CURRY: "I had some further talk with Mr. Schiller on the subject, and he suggested that he might be authorized to offer $200.00 per share, and asked him if he really thought they would accept such an offer. He said no."

MR. FRICK: "I think most of those present have seen the comparison made by Mr. Curry of the Mahoning Ore property with what is virtually offered us out of the Rockefeller property. That report should be placed upon the Minutes."

The following is the comparison referred to:

ROCKEFELLER.

Comparisons.

1st. EXTENT OF PROPERTY:

The Rockefeller negotiations contemplate leasing to us their Rathburn and Mountain Iron mines; these properties adjoin and cover a length of one and one quarter miles, on which the ore body is uncovered and ready for mining for a length of 3,700 feet and an average width of about 300 feet; it is estimated that the work already done, makes accessible

between 5,000,000 and 6,000,000 tons of ore above present drainage level, and that the quantity can be largely increased by lowering the approaches and drainage.

The width and depth of the ore deposit has not been accurately determined; it is known to be 70 feet deep and 600 feet wide, and is supposed to be of much greater extent, both in width and depth; assuming dimensions to be 3,700 feet long, 600 feet wide, 70 feet deep, the total quantity of ore would be about 10,000,000 tons; it is quite possible that the total may be three or four times that quantity.

2nd. Quality:

All the information we have justifies the belief that the entire product will average of good, Bessemer quality, say 63.5% Iron, Phosphorus not over .055%.

Structure is objectionably fine.

3rd. Royalty & Rail Freight:

Are combined and fixed at $1.05; any reduction which may be made in the freight rate being added to the royalty.

Mahoning Ore Company.

1st. Extent of Property:

The Mahoning Co.'s property covers leases of 1,000 acres, with right to lease 1,000 acres more from 11,000 or 12,000 acres owned by Wright & Davis; these lands are so located that the right of selecting additional lands may prove to be of great value.

The Company's only developed mine is near the town of Hibbing, the development consists of the removal of the covering from about 1,500 feet in length and about 250 feet in width, of the ore body; this work and some additional stripping which has been contracted to be completed June 30, 1897, is estimated to uncover 5,000,000 tons of ore above the drainage level; this development and the very extensive explorations which were made in advance of it, have proven the existence of a continuous body of ore, about 1,000 feet wide, not less than 100 feet thick, and extending one mile to the Sheridan mine, which is estimated to contain not less than 50,000,000 tons of ore.

Adjoining this development to the east, the Company has four 40 acre tracts (one mile) on which very little exploration has been done, but the explorations made by the Rockefeller people on their lands, immediately south, taken in connection with the existence of the Sellers mine, on the east, and the Mahoning Co.'s development above referred to, on the west, make it reasonably certain that this mile of property also contains valuable deposits.

Adjoining the Rockefeller Co.'s Hull mine (the ore from which contains about 65% Iron and about .03% Phosphorus) the Mahoning Company has a forty acre tract on which they claim to have proven up about 3,000,000 tons of ore, containing about 63.5% Iron and less than .035% Phosphorus. (This and the Hull mine must be worked underground.)

2nd. Quality:

Shipments of 1895 and 1896 averaged about 64% Iron and about .070% Phosphorus; a large part of the shipments were from the top of the deposit which runs higher in Phosphorus than the deeper ore. Mr. Agnew estimates the quantity on present level, at 589,000 tons, the general average of which will have about 64% Iron and about .065% Phosphorus; analyses of exploration pit samples show that deeper ore is lower in Phosphorus; I am unable to give any close estimate of the average, but think we cannot expect that it will be lower than .060%.

Structure is fine, but somewhat more favorable than that of the Mountain Iron ore.

3rd. Royalty & Rail Freight:

Royalty is now 27½c. on product of 300,000 tons, and will be

20c. on product of 500,000 tons;
17½c. on product of 700,000 tons;
15c. on product of 1,000,000 tons;
12½c. on product of 1,500,000 tons.

Freight rate is to be always as favorable as made by any other road in the Messaba district.

It is not unreasonable to assume that freight rate will

at some time be reduced as low as sixty cents; if this should occur, the Royalty and Freight combined, would be

On	500,000 tons,	80c.,	or 25c.	below Rockefeller;	
"	700,000 "	77½c.,	or 27½c.	"	"
"	1,000,000 "	75c.,	" 30c.	"	"
"	1,500,000 "	72½c.,	" 32½c.	"	"

GENERAL:

We are asked to give the preference on 80% of our lake freight tonnage, and on our purchases of ores; there are very great objections to agreeing to give such preferences, as, in time, other sellers would get to know of their existence and we would then be unable to get competitive bids on our business.

Think the most we could safely do would be to agree to give 50% of our lake tonnage, at prices offered by other responsible carriers, provided they would agree in advance to take that proportion of our freight.

On ore purchases, we would not do more than promise to give them a considerable part of any orders we place with outside parties, when all conditions are as favorable to us as those made by other sellers.

We are also asked to agree that, for ten years, we will not purchase or lease any Messaba Range ore property, and to agree that we will sell our Sheridan property to the Rockefeller people "at cost and 6% interest". If we have an opportunity to sell it elsewhere, under this we would have to sell at cost and interest, no matter what price others were willing to pay. Both of these requests are highly objectionable.

MR. FRICK: "I would like the members to give their opinions as to what should be done in this matter."

MR. LEISHMAN: "I am strongly in favor of making an arrangement with Rockefeller, and doing nothing with the Mahoning properties: that is, provided Rockefeller will make satisfactory modifications of the objectionable clauses in what was submitted by Mr. Gates. We should not tie ourselves up as he proposes, but we should exhaust that subject before doing anything with the Mahoning."

MR. FRICK: "We have only until the 24th of this month to accept the Mahoning proposition; but we could probably get the option extended."

MR. LAUDER: "I do not think there is very much connection between this proposition and what we may do with Rockefeller. The way I look at it is: Is it a good thing of itself? I think it would be a good thing to get independent of Rockefeller. The price is too high, however, but I think we could get a reduction."

MR. LEISHMAN: "I would like to have something in reserve; but we already have Oliver and Lone Jack, as well as Sheridan. With these properties we are not going to suffer for ore for a good many years."

MR. CURRY: "But with Mahoning we have lower royalty and freight competition."

MR. LEISHMAN: "Sheridan is independent, and not tied up to any one."

MR. CURRY: "I have not changed my view, that our best arrangement would be with the Rockefeller people. If we let this Mahoning pass, I think we can get it later at a less price; certainly at no greater."

MR. CLEMSON: "I would advise buying this property, and treating with Rockefeller afterwards; holding this property in reserve and mining only the minimum. It is safe to say $200,000.00 worth of stripping is available. It would be to our advantage, even if we pay the additional royalty and mine only the minimum, if satisfactory arrangements can be made with Rockefeller."

MR. PEACOCK: "If we can make a satisfactory deal with Rockefeller, that is the thing for us to do."

MR. SCHWAB: "I have always thought that we should work in harmony with Rockefeller."

MR. PHIPPS: "I think we should take this property, and that we can make a very much better arrangement with Rockefeller with it than without it."

MR. SINGER: "It is a complicated question. The Rockefeller proposition as put to us is out of the question. I am inclined to think we will have to work one against the other to get a fair deal."

MR. CURRY: "It will be a great advantage to us to have Mountain Iron during the next few years."

MR. LEISHMAN: "They can mine five or ten times as much Messaba ore as can be sold. If there is no Ore Association to fight, the people who have hard ores will almost give away Messaba in order to sell the others. As to freights, the Railroads will undoubtedly keep up the rates as long as possible.

"Rockefeller will undoubtedly do better than the proposition made, because there are no other consumers with whom he could make as good an arrangement as with us."

MR. FRICK: "After hearing all the opinions, I think our best action will be to say to Mr. Schiller: 'Proceed in accordance with the memorandum given you by Mr. Carnegie.' This does not commit us in any way.

"If there is no objection, that will be recorded as the sense of the Board."

To this all agreed.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, November 24, 1896, there were present MM. FRICK (Chairman), LEISHMAN, CURRY, SINGER, PHIPPS, PEACOCK, SCHWAB, and LOVEJOY (Secretary); also MM. GEORGE LAUDER and D. M. CLEMSON. (MR. PONTEFRACT ill.)

* * *

Mr. Frick submitted the following as the result of a conference between Henry W. Oliver, Mr. Carnegie, Mr. Leishman and himself, at Mr. Carnegie's house in New York, on Saturday, 21st inst.:

"Contingent on satisfactory agreement being made between Mr. Rockefeller's Ore Company and the Oliver Mining Company, The Carnegie Steel Company, Limited, agree to buy, and Henry W. Oliver agrees to sell, sufficient of his in-

terest in the Oliver Mining Company to give The Carnegie Steel Company, Limited, a five-sixths interest.

Also, sufficient of his interest in the Braddock Mining Company, (Owning the Sheridan mine) to give the Carnegie Steel Company, Limited, a five-sixths interest, for the sum of $266,000.00, to be paid for in two, three, four, and five years. The date when this is to take effect to be determined hereafter. Interest from that date to be at the rate of six per cent per annum, payable semi-annually.

A note of $22,500.00 of Henry W. Oliver's, now held by The Carnegie Steel Company, Limited, to be deducted from the above amount.

Henry W. Oliver now owes the Oliver Mining Company a note of ————, which he claims should be cancelled. As to whether it should be or not, to be agreed on by Mr. Oliver and Mr. Frick.

An agreement to be executed between The Carnegie Steel Company, Limited, and Henry W. Oliver, wherein it is to be provided that if the said Oliver does not in any one year take his one-sixth of the ore produced by the Oliver Mining Company, The Carnegie Steel Company, Limited, to have the ore not taken by him at actual cost."

On motion, (Curry and Phipps), the arrangement entered into with H. W. Oliver, as set forth above, was approved, ratified and confirmed; the vote being unanimous.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, December 8th, 1896, there were present MM. FRICK (Chairman), LEISHMAN, CURRY, SINGER, PHIPPS, PEACOCK, SCHWAB, and LOVEJOY (Secretary); also MR. CLEMSON. (MR. PONTEFRACT ill in the Hospital.)

* * *

MR. CURRY: "The Southall Mining Company has some ore property in the Vermillion Range, 160 acres, St. Louis County, Minn., on a 25 year lease from March 1, 1897, at 16c. royalty, 20,000 tons per annum minimum. They offer to sell us a three-fourth interest for $100,000.00; we to send a man to investigate and take samples, and to then decide whether or not we will pay $10,000.00 for an option until July 1, 1897. If we buy the property, the $10,000.00 is to be deducted from the $100,000.00 purchase money, and the cost of exploring to be considered a loan to the Company and to be repaid. If we do not buy, our payments will be lost.

We have analyzed two samples of the Ore: one shows 63% iron with no phosphorus, not even a trace; the other, 68% iron with .022 phosphorus. The cost of mining will be about that of the Minnesota Iron Company, it being a hard Ore, say about 90c.

This will not in any way interfere with our negotiations with Rockefeller. It is hard Ore."

On motion, (Leishman and Peacock), the sending of Mr. Clemson to examine the property was authorized; as was also the payment, should his report be favorable, of $10,000.00 for the option; the vote being "AYE": MM. Frick, Leishman, Curry, Singer, Phipps, Peacock, Schwab and Lovejoy.

MR. PHIPPS: "The Treasury is in a flourishing condition. We are making Ore payments in cash."

* * *

Mr. Curry submitted the following Blast Furnace Memorandum:

* * *

DUQUESNE: Both furnaces doing well.

The use of 44% Messaba ore in mixtures has proven so satisfactory that Mr. Gayley has decided to increase to 50% Messaba on one furnace.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 11:30 A. M. on Thursday, December 10th, 1896, there were present MM. FRICK (Chairman), LEISHMAN, CURRY, SINGER, PHIPPS, PEACOCK, SCHWAB and LOVEJOY (Secretary). (MR. PONTEFRACT ill.)

MR. FRICK: "This meeting has been called for the purpose of considering the proposed Agreement with J. D. Rockefeller as to Messaba Ore properties. We have the formal papers, to wit:

"An Agreement, dated December 1, 1896, between the Mountain Iron Company and the Oliver Mining Company; and

An Agreement, dated December 2, 1896, between the Oliver Mining Company and the Bessemer Steamship Company.

Mr. Leishman, Mr. Curry and I have gone over these papers, and are satisfied that it is a good arrangement."

MR. CURRY: "I examined the papers very carefully and cannot suggest any changes."

MR. FRICK: "As the other members of the Board have not yet had an opportunity to examine the Agreements, I will read the following Summary of what is accomplished thereby. This Summary was prepared by H. W. Oliver.

"'We secure 60,000,000 tons of ore.

"'We secure at least 5,000,000 tons all uncovered ready to load into cars.

We secure the only Mine from which strictly Bessemer ore can be mined with a Steam Shovel.

We secure the Mine with by far the lightest covering of earth of any known deposit in the world.

We secure the plant and improvements at $100,000.00 less than cost and get six years time to pay for them.

We secure the option of abandoning the property on a six months notice, should we find anything more desirable.

We secure a royalty of 25c. on strictly Bessemer ore. The underground properties of the range are in general strongly held at royalties of 25 to 35c. per ton on both Bessemer and non-Bessemer.

We secure a guarantee from Mr. Rockefeller that no one shall secure ore at less than we do except by reason of lower cost of mining or lower royalty—the former an impossibility, and the latter an improbability.

We secure the Rockefeller fleet for transporting the ore on an agreement by which we shall not pay over the average season rate of freight, and almost certainly shall secure figures much below the average. We pay the provisional rate of only 70c. which is from 14 to 30 % less than the average season rate of the past five years.

We secure the right to cease operations at any time by simply paying the royalty, and we can take out ore against this royalty so advanced at any time thereafter. This—allowing us to cripple the Railroad and fleet—gives us a powerful weapon with which to secure further concessions, should the course of trade make them necessary.

The only competitors to be feared are:

1st. The Minnesota Iron Co., who do not possess one Steam Shovel proposition. In addition, they hold their properties on leases with average royalties of 30c. per ton, and these leases cost them large bonuses, entailing heavy interest account.

2nd. The Mahoning Property: Only 18 acres of this can be mined by steam shovel and the ore so mined would be low in iron and high in phosphorus. The low phosphorus ore in this property and all other low phosphorus ores on the Range are deep and would have to be won by underground mining and pumping at an additional labor cost of 50 to 80c. per ton.

We thus leave the Consolidated and the Minnesota Company without a Steam Shovel Mine. There are only two others: The Mahoning, a non-Bessemer, and the Biwabik, heavy stripping and a 50c. royalty. Even if the other producers owned their own railroad they could not deliver ore at Lake Superior ports nearly as cheaply as we can.'"

Mr. Cleary: "I agree with Mr. Oliver in everything ex-

epting as to the Mahoning property. I think more than 18 ores can be mined by Steam Shovel and the character of the re is better than he thinks."

Mr. Frick: "There is one provision which I have not discussed with any one, but which seems to me objectionable; that is, the ground rent and royalty, as well as the freight, are to be paid in 'United States gold coin, or its equivalent of the present standard of weight and fineness.' The clause providing that we are to receive a sum equal to any gain per ton accruing to a competitive consumer of iron ore by reason of a cheaper rail rate may protect us against having to pay a premium on gold with which to pay freight, but it will not so protect us as to the ground rent and royalty. I do not think this country will ever have a silver standard, but there is of course a possibility."

Mr. Leishman: "There is always some risk, but I do not think it is a serious one."

Mr. Curry: "I do not think they will eliminate that clause; but if it becomes burdensome, we can suspend operations or cancel the Agreement on six months' notice."

Mr. Frick: "Payment of royalty in gold was never talked of before, and appears for the first time in these Agreements submitted.

"Mr. Rockefeller submits the following form of letter, to be addressed to him by the Carnegie Steel Company, Limited, and by Henry W. Oliver:

"'In view of the important and permanent business relations established by contract between the Bessemer Steamship Company, the Mountain Iron Company, the Messaba Mountain Iron Company and the Duluth, Messaba & Northern Railway Company, corporations in which you are largely interested, and the Oliver Mining Company, which Mr. Henry W. Oliver and The Carnegie Steel Company, Limited, control, it is our intention to purchase, at competitive rates, such ores as we may not ourselves mine, from mines in which you may now or hereafter own a controlling interest, in so far as such mines can furnish ores required by us for what we may regard as the best and most economical furnace practice. We can not, of course, enter into any legal contracts of this kind and write these words simply in reciprocal recognition of courte-

sies extended by you. We take pleasure in saying further, in special recognition of your courtesy in the matter of leasing the Mountain Iron Mine, and not of course as a matter of contract, that it will not be our purpose certainly within the first ten years of the existence of the Mountain Iron lease, to lease, or purchase any fee, in further Messaba properties. Should the mines now leased by us fail to furnish us the ore required, we think we may confidently rely upon the same mutual interest which has in the past controlled the respective policies of the Companies in which we and you are interested, to arrange new leases of some one or more of your iron properties which shall prove ample and mutually satisfactory. In the above we are speaking generally and do not mean to include manganese mines or special manganiferous ores.'"

Mr. Frick submitted the following Resolution:—

RESOLVED: That this Association, as de facto the owner of a controlling interest in the Oliver Mining Company, does now approve the two Agreements under consideration, copies of which are in our files; subject, however, to the approval by Mr. Carnegie of the clause requiring payment in gold; and

SUBJECT TO THE SAME CONDITION, That the execution of the said Agreement by the proper officer of the Oliver Mining Company be and is now hereby approved, ratified and confirmed; and

THAT it is the sense of the Board, that while we would like a change made in the gold clause, yet if it cannot be done, we are willing to make the Contract as it stands.

On motion, (Curry and Peacock), the Resolution was adopted; the vote being "AYE": MM. FRICK, LEISHMAN, CURRY, SINGER, PHIPPS, PEACOCK, SCHWAB and LOVEJOY.

On motion adjourned.

F. T. F. LOVEJOY,
Secretary.

Approved at Meeting held,
Dec. 15, 1896.
H. C. FRICK,
Chairman Board of Managers.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, December 15th, 1896, there were present MM. FRICK (Chairman), SINGER, CERRY, PHIPPS, PEACOCK, SCHWAB and LOVEJOY (Secretary); also D. M. CLEMSON. (MR. LEISHMAN in New York; MR. PONTEFRACT ill).

The minutes of the Meetings of the Board of Managers held December 8th and December 10th, 1896, were read, and, on motion, approved.

MR. FRICK: "Mr. Leishman told me in New York yesterday that he had taken up with Mr. Carnegie, in accordance with the action of the Board at the Meeting, December 10th, the question of the payment in gold of royalty from the Oliver Mining Company to the Mountain Iron Company, under the Rockefeller agreement. Mr. Carnegie was of the opinion that we had better make the contract as it was written, not raising the question with the Rockefeller people. The papers have, therefore, been signed and the matter closed."

* * *

MR. FRICK: "I was present yesterday at the Meeting in New York of the Rail Makers. They came to an understanding among themselves, making some changes in the percentages of allotments, as follows:—

	1897	Old
Carnegie and Illinois.....	53.5%	52.78%
Lackawanna	19.	15.74
Pennsylvania and Maryland.....	11.	15.74
Cambria	8.25	7.87
Bethlehem	8.25	7.87
	100. %	100. %

"Pennsylvania and Maryland Steel Companies are to receive in consideration of their reduced allotment $100,000.-00, payable in quarterly installments.

"The price of rails for 1897 was fixed at $25.00 and $26.00, contingent on being able to arrange with the outside makers, at which they are at work today, the Meeting having adjourned until 11:00 this morning."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 1:30 P. M. on Tuesday, December 22, 1896, there were present MM. FRICK, LEISHMAN, SINGER, CUBRY, PHIPPS, PEACOCK, SCHWAB and LOVEJOY. (MR. PONTEFRACT ill.)

* * *

MR. LEISHMAN: "The Rail Makers' Asosciation came to an agreement with the outside manufacturers, and consequently re-affirmed the arrangements as reported by Mr. Frick at the Meeting last Tuesday, excepting that the allotment to the Pennsylvania Steel Company and Maryland Steel Company was divided: Pennsylvania Steel Company taking 8.25% and Maryland Steel Company 2.75% and $100,000.00 in quarterly payments. The price for next year was re-affirmed at $25.00 and $26.00.

"The Illinois Steel Company and ourselves have agreed with the Cambria Iron Company to make a tripartite agreement on exactly the same lines as the present agreement between this Association and the Illinois Steel Company. This is to be in effect for 1897, and is on the basis of

26.75% for this Association;
26.75% for the Illinois Steel Co.; and
8.25% for the Cambria Iron Company.

Agreements have been prepared by us and are being considered by the other two Companies.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, January 5th, 1897, there were present MM. FRICK (Chairman), LEISHMAN, SINGER, CURRY, PHIPPS, PEACOCK, SCHWAB and LOVEJOY (Secretary); also MM. LAUDER and CLEMSON. (MR. PONTEFRACT en route for Europe).

The Minutes of the Meeting of the Board of Managers held December 29th, 1896, were read, and, on motion, approved.

MR. LEISHMAN: "The Billet Pool is broken up, and I do not think there is any chance of the Billet Manufacturers getting together again. Up to this time we have laid back quietly, declining to sell at cut prices, but I think the time has now come for us to assume the aggressive and sell Billets. The same policy should apply to other lines of our product, say up to the first of July; we have been selling for the first quarter. We may have to take low prices, but should go low enough to get business and keep going."

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, January 12th, 1897, there were present MM. FRICK (Chairman), LEISHMAN, CURRY, SINGER, PHIPPS, PEACOCK and LOVEJOY (Secretary); also MM. LAUDER and CLEMSON. (MR. PONTEFRACT abroad; MR. SCHWAB in Washington).

The Minutes of the Meeting of the Board of Managers held January 5th, 1897, were read, and, on motion, approved.

MR. LEISHMAN: "We were notified yesterday by the Illinois Steel Company of their willingness to take from under our Agreement of last June all foreign rails. This we have been trying to accomplish for some time, but Mr. Gates would not consent. We have not agreed on some of the detail, but I think it will take effect from today, and apply on sales hereafter. This will leave the two companies working independently as to Canadian rails, as well as those for shipment abroad.

* * *

MR. PHIPPS: "Collections are coming in very nicely; the money market is easy, and we have a good Cash balance. The Pennsylvania Railroad will pay us within a day or two in advance for the 10,000 tons of rails ordered."

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, February 9th, 1897, there were present MM. FRICK (Chairman), SINGER, PEACOCK, PHIPPS and LOVEJOY (Secretary); also JAMES GAYLEY and A. M. MORELAND. (MR. LEISHMAN at a funeral; MR. CURRY in Florida; MR. SCHWAB in Washington; MR. PONTIFRACT abroad).

* * *

MR. FRICK: "Mr. Scranton, on last Thursday, notified the members of the Rail Makers' Association that his Company would no longer be bound by the 1897 Agreement, saying this action was done by order of the Board of Directors, and for the reason he was satisfied neighboring eastern mills were trying to take his trade at a reduced price. At the same time he sent out this notice, he quoted rails at $20.00, and has made some sales at that price. A meeting of the Rail Makers' Association was called for and held in Pittsburg yesterday. Mr.

Scranton was here but refused to attend the meeting. The meeting was held but without any action other than that the Association was dissolved, and there was a general understanding among the members that the price of rails should be $20.00 East and $21.00 West. We agreed to this, basing our action on the Agreement between the Illinois Steel Company and ourselves, made in June, 1896, for an equal division of tonnage.

"After the meeting, Mr. Gates refused to affirm our understanding of that Agreement (it having been made to be operative whether the Rail Makers' Association continued or not), and refused even to give his personal opinion on that Agreement, saying he did not wish to anticipate the action of his Board. He promised to call a meeting of the Board for 11:00 o'clock today, and give us an answer 1:00 o'clock. We have not yet heard from him, but he has until 2:00 o'clock our time.

"After Mr. Gates' decision, which was at about 6:00 o'clock last evening, Mr. Peacock instructed all our Sales Agents to see the rail buyers in their respective territory, and request that no purchases of rails be made until we had had an opportunity to make a price. If the answer from the Illinois Steel Company today is not satisfactory, we will at once name a lower price and take all the business we can get."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, February 16th, 1897, there were present MM. FRICK (Chairman), SINGER, LEISHMAN, SCHWAB, PEACOCK, PHIPPS and LOVEJOY (Secretary); also MM. JAMES GAYLEY, THOMAS MORRISON and D. M. CLEMSON. (MR. CURRY in Florida; MR. PONTEFRACT abroad).

* * *

The Secretary submitted the following:

MEMORANDUM OF AGREEMENT, Made this 12th day of January, A. D. 1897, between THE CARNEGIE STEEL COMPANY, LIMITED, of the first part, and HENRY W. OLIVER, of the second part;—

WHEREAS, The party of the second part has sold and delivered, and the party of the first part has bought and issued in payment therefor certain Notes, Four thousand (4,000) Shares of the Capital Stock of the Oliver Mining Company, leaving the first party owner of Five-sixth (5/6th) and the second party owner of One-sixth (1/6th) of the Capital Stock of said Oliver Mining Company;

NOW THIS AGREEMENT WITNESSETH:

(1) The stipulations herein contained are to be considered as a part of the consideration from each party hereto to the other.

(2) The party of the second part hereby covenants and agrees to transfer to the said first party, or to such person or persons as it shall designate, in such form as shall be advised by counsel, sufficient of the Capital Stock of the Braddock Mining Company, (organized 18 June, 1896, and recorded in the State of Minnesota 29 June, 1896), when the same shall have been issued, to make said first party, or such person or persons as it shall designate, the owner of Five-sixths (5/6ths) of the entire Capital Stock of said Braddock Mining Company.

(3) The Ore mined and shipped by the Oliver Mining Company shall be divided, at such price as shall be fixed by the Board of Directors of the said Oliver Mining Company, between the parties hereto, in the proportions of Five-sixths (5/6ths) to the first party and one-sixth (1/6th) to the second party; it being expressly stipulated, however, that should the Companies controlled by said second party fail in any year or years to use the One-sixth (1/6th) of the Ore allotted to said second party, such remainder of Ore not used shall not be sold to any outside parties, but shall be sold to the party of the first part at cost; the party of the first part agreeing to take, and pay for at cost, such remainder.

(4) The parties hereto will at all times hereafter vote their respective stock in said Oliver Mining Company so that the second party, if he so desires and so long as he shall properly attend to the duties of the position, shall be elected President of said Oliver Mining Company, from year to year, it being stipulated, however, that the second party shall continue his personal attention to the management of the affairs of the Company; that he shall receive a salary therefor; that he shall not involve the Company in any heavy or unusual expenditures of money without the consent of the Board of Directors; and that while he continues to be President of the Company, he shall make no investments in Ore properties, either directly or indirectly, excepting by the direction of the Board of Directors of the Oliver Mining Company and for its benefit.

(5) The parties hereto covenant and agree that they will not sell any part or all of their respective Stock in the Oliver Mining Company without the written consent of the other party hereto; provided, however, that for the purpose of maintaining the legal existence of said Oliver Mining Company, the Stock of either party hereto may be held in the name of such persons as it or he, the said party hereto, may deem advisable, but the ownership and control of such Stock shall not pass from the parties hereto."

This Agreement had been executed by Mr. Oliver and left with us until all the detail relating to the Rockefeller Ore Agreements should have been completed.

On motion, (Leishman and Phipps), the officers were authorized, empowered and directed to execute the said Agreement on the part of this Association.

* * *

Mr. Peacock: "There is a lull in Rail orders. We are judging each case as it comes up on its own merits, avoiding raising the price by declining to sell, but finding difficulty in meeting the deliveries wanted."

Mr. Frick: "That is the proper course. We must keep the price of Rails down until we have fully covered our Ore requirements. I have had today a three hour talk with Sam-

uel Mather on Norrie and Chandler Ores, and think matters are in very good shape. There is nothing definite to report as yet, but I expect to hear from him within a few days, and if necessary, will call a special meeting to discuss the matter.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, February 23rd, 1897, there were present MM. FRICK (Chairman), SINGER, LEISHMAN, SCHWAB, PEACOCK, PHIPPS and LOVEJOY (Secretary); also THOMAS MORRISON, D. M. CLEMSON and CHAS. L. TAYLOR.

* * *

MR. FRICK: * * *

"In this connection, I think it well that the Board should know the exact situation so far as our sales of rails to date is concerned:

"By statement furnished me in detail, at my request, by Sales Department, and which I have had figured up by Mr. Moreland, I see the total sales of rails prior to February 10th, was 30,059 tons. Average price we are to receive for these at works is $18.46. Sold since February 10th, 592,405 tons. Average price to receive at works, $16.17; making a total of 622,464 tons sold. Average price to receive, $16.28.

"Mr. Moreland has used the best rates of freight he knows of, where there is delivered price; for instance, $2.40 to Chicago; $1.60 to Cincinnati; $1.15 to Cleveland. It is thought that much better rates can be secured. Of course, anything better secured will raise the average price to be received for the rails.

"There appears by the statement to be options out amounting to 42,000 tons. The largest, 25,000 tons, at $17.00 works, for the Baltimore & Ohio, which expires March 1st.

"George Gould appears to have an option until the 13th

of March for such further requirements for this year as he may wish, at $17.00 our works. This is rather indefinite."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, March 2, 1897, there were present MM. FRICK (Chairman), SINGER, SCHWAB, PHIPPS and LOVEJOY (Secretary); also JAMES GAYLEY, THOMAS MORRISON, D. M. CLEMSON and GEORGE H. WIGHTMAN. (Mr. LEISHMAN in Washington; Mr. CURRY in Florida; Mr. PEACOCK in Canada; Mr. PONTEFRACT abroad.)

* * *

MR. FRICK: "On Saturday last I wrote Mr. Carnegie on the Ore question, as follows:—

"Mr. Mather just called me on 'phone to have, as he said, talk preparatory to meeting of ore men Monday. He referred to our original talk; wondered whether our views had changed any since then. Called his attention to second interview had with him over 'phone, a few days ago, in which I stated I found, after our first interview, most of our prominent people were of opinion my views as to price of ore for this year were too high. He then remembered what I had said to him, and remarked he should tell me the life of the Association depended entirely upon them. Asked him who he meant by 'them,' whether it was the Minnesota Iron Company or Norrie Company. He replied both, as they (Pickands, Mather & Company) represented both. He said he had favored (if Association continued) fixing price of Norrie at $2.65; Chandler in proportion, but he was the only one, among many, who favored such prices. They were all 'red hot,' to use his own expression, for at least 1895 prices, which would make $2.90 for Norrie. From the way he talked to me I got the impression, if he was successful in getting them to adopt $2.65 price for Norrie as basis, and his consenting to

their concern staying in Ore Association being dependent on $2.65 price being fixed, that he looked on us as rather committed to purchase at that price. Told him I was glad he called me up, because I wanted to say to him I thought I had made it clear, since our first interview, our people thought those prices too high, and he would better take such action in regard to Association and prices as he deemed proper, without regard to what he would be able to do with us; that if Association continued, and prices were made even so low as $2.65 for Norrie, doubted whether we would be willing to purchase ore at present. In fact, thought, if price for Norrie was fixed at that, we probably would buy no Norrie whatever, and would get along the best we could; we had other ores offered, and had other plans that would enable us to secure supply for less money. I said the figures given him at our first interview ($2.50 for Norrie, and the proper difference for Chandler) were probably higher than our people would be willing to pay, in view of the outlook; that general business was not reviving to any extent, if at all, etc., etc. Told him also about changes authorized recently, which would enable us to still do better on Missabe, etc.

"You now have about all that has occurred looking towards purchase of ore, and our people here understand all that has been done. While nothing has been accomplished, do not think any harm has been done, and we are as free as if nothing had been said on the subject. If Rockefeller interest were not working hard to maintain Association, think it would go to pieces, and it probably will anyway. If it does not go to pieces and they fix price of Norrie at $2.65, it seems to me the ordinary furnace man would think it cheap, and would buy. However, you may be right, 'the man who buys last may buy cheapest.'"

To which he replied on Monday:—

"Think you have Ore matter in splendid shape."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, March 9, 1897, there were present MM. LEISHMAN (President), SINGER, SCHWAB, PEACOCK, PHIPPS and LOVEJOY (Secretary); also MM. GEORGE LAUDER, THOMAS MORRISON, JAMES GAYLEY and D. M. CLEMSON. (MM. FRICK and CURRY in Florida; MR. PONTEFRACT abroad.)

* * *

MR. LEISHMAN: "The Ore people have postponed their meeting once more.

"Mr. Gates, Rockefeller's ore man, called me up on the telephone, and seems very anxious we should do something to bring about an understanding among the Ore Companies. The Committee has not yet been able to settle on any price, but the indications are they will recommend $2.85 or $2.90 for Norrie. He argued that with the Rockefeller lease, it would be to our advantage to have an Ore Combination, and keep up the price to other furnace men. He is evidently figuring one for us and two for Rockefeller.

"At $2.65 for Norrie, I do not think we would find it to our advantage to use more than 50% of Missabe."

MR. LAUDER: "If we let the Oliver Mining Company go into the Combination on a $2.65 basis for Norrie, how would we come out?"

MR. LEISHMAN: "We would lose about $250,000.00."

MR. SCHWAB: "If we can get 50 cents per ton difference between Norrie and Missabe, I think we would use only about 33% Missabe."

MR. LEISHMAN: "I told Gates our position has been the same all through this discussion; we would do nothing whatever excepting agree not to sell Ore, but would not be limited in our output."

"Mr. Gates says the Minnesota Iron Company will lease a mine to the Illinois Steel Company on about the same terms

as our Rockefeller lease. I said, 'Does that mean that the Minnesota Iron Company will take advantage of the lease to give the Illinois Steel Company cheap Ore, and by a nominal lease get around any agreement as to price? If so, we will not stand it, and will be very aggressive in our policy.'

"Mr. Gates seems very anxious to talk the matter over with us. I do not think, however, there is anything we can do other than to wait developments."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Tuesday, April 13th, 1897, there were present MM. FRICK (Chairman), SCHWAB, PEACOCK, PHIPPS, CURRY and LOVEJOY (Secretary); also MM. HENRY PHIPPS, JR., THOMAS MORRISON and D. M. CLEMSON. (MR. SINGER at Atlantic City; MM. LEISHMAN and PONTEFRACT abroad.)

* * *

The President submitted the following report:—

EDGAR THOMSON WORKS:

* * *

"With reference to costs for last month, would state that Edgar Thomson Works produced rails from pig iron for $5.07."

* * *

"One most notable improvement at the Edgar Thomson Works during March is the consumption of fuel at Blast Furnaces, which averaged about 10 cents for last year, and was down to 2½ cents for March."

* * *

"HOMESTEAD STEEL WORKS:

* * *

"The costs at these Works was generally the best throughout the plant we have yet obtained; especially the cost on beams in our 35" Mill, where the cost for beams for last month was $21.43 per gross ton, including all general charges and rejections. I have not the least doubt but that with pig at $10.00 and this Mill running full, that beams will be produced at about $20.00 per gross ton."

* * *

"DUQUESNE WORKS:

"These Works in fairly good condition all around; made good product for March and reduced costs from pig iron to billets to $3.83, the lowest figure yet obtained."

* * *

"UPPER UNION MILLS:

"Tonnage of these Mills for last month was the largest they ever had; slightly over 14,000 tons finished material, and costs were exceptionally good. This is especially true with reference to universal plates, where they succeeded in getting the cost of these plates down to $21.70 per gross ton, including all rejections and general charges.

"LOWER UNION MILLS:

"Fairly good tonnage and marked improvement in the practice and cost of plates in their sheer plate mill. Their tonnage of plates was the largest they ever had in any one month, viz: 2,324 tons, and their costs from slabs to plates $9.22, being over $1.00 per ton better in cost of manufacture than any previous month."

* * *

MR. FRICK: "We have been asked by Captain Mertwago, on behalf of the Russian Government, to bid on furnishing 3,207 tons of Armor.

"We have from Mr. Leishman the following telegram:—

"'Have made arrangement American Group take entire Russian Government order £50 per ton of 1000 kilos, Homestead Steel Works, less royalties for Harveyized armor. Agree to pay balance German Group French Group as received. Advise. Qyote (sic) Captain Mertvago £109 per ton of 2,240 lbs. St. Petersburg, for Nickel Steel, Harvey treated reforged armor, on condition entire order will be given to us with option to divide Bethlehem.'

"And have another telegram today:

"'Russian Government:— Armor Pools have fixed our lowest price £106 per ton of 1000 kilos. Will protect by quoting not less than £113, nickel steel, Harvey treated reforged armor. Ballistic requirements same as last. In the event of their asking for Kruppized armor, will agree to furnish, extra cost. Think it will be about £10, inclusive of royalties for using Krupp process. Confer with Bethlehem Iron Company, and Captain Mertvago regarding delivery. Advise us in order to arrange with Armor Pool to protect delivery guaranteed.'

"This arrangement with the French and German Group puts the matter in such shape that we do not lose our place in the division of Armor orders."

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, May 4th, 1897, there were present MM. FRICK (Chairman), SCHWAB, LEISHMAN, SINGER, CURRY and MORELAND (Assistant Secretary); also MM. THOS. MORRISON, GEO. H. WIGHTMAN, D. M. CLEMSON and W. W. BLACKBURN. (MR. LAUDER abroad; MR. POTTEFRACT ill; MR. PEACOCK, Montreal; MR. LOVEJOY, Secretary, on vacation at Fort Monroe, Va.)

* * *

MR. SCHWAB: "Beam Pool: The prices prescribed by Beam Pool do not seem to be maintained; seems they are disregarded everywhere and by everybody. Selling Plates and Angles very low prices. Keeping the Beam price high, we suffer with low prices on other forms of steel. Some think Beam prices too high, and detriment to business. Mr. Whitney thinks we ought to suffer a little respecting tonnage and put up with the apparent inconvenience until the first of July, when he thinks the business will open up."

MR. FRICK: "If Pool broke, what prospective tonnage have we that would have to reduce; or what tonnage have we on the books that would have to reduce?"

MR. SCHWAB: "About 50,000 tons."

MR. FRICK: "This would cost us not less than $250,000.00."

MR. LEISHMAN: "We have never been asked to make a reduction on building contracts. Our prices are generally made to contractor and when building is taken, we are not dealing with the principal, and it is not likely that we would suffer any loss in this respect."

MR. SCHWAB: "Recently there was an order of 300 tons of Beams, Cincinnati. We figured Angles and Plates at 50c. a hundred, and lost the order, which indicates clearly that there is some cutting and that the Pool prices are not maintained. Notwithstanding this, think we should maintain prices at least two months longer."

MR. FRICK: "We should maintain Pool, but not lose any orders. Sales Department can, we think, struggle with our competitors."

MR. WIGHTMAN (in reply to Chairman):

"I do not think Pool will last long; under the policy of *cutting, it* will be of short duration."

* * *

MR. FRICK: As this Company holds the controlling interest in the new Bessemer Road, the Board should be cognizant of what is being done, and present letter from Secretary of Road, which will be read. Letter is quoted in full:

"Referring to our conversation of this morning, regarding the cost of the P. B. & L. E. R'd Co., I beg to submit the following:

The original estimate of cost from Butler to Bessemer was	$2,465,900.00
On December of last year this was increased to..	2,724,000.00
To this should be added, north of river.....	175,000.00
Increase due mainly to fills slipping, necessitating slopes being extended and making extra work excavating.	
There should be added, south of the river.....	$176,000.00
Increase being caused largely by increased cost of Rights of Way through Turtle Creek and East Pittsburg.	
$20,000.00 of this is for two shafts in the tunnel, made necessary by contract not being let early enough, and to get the work done in time, it was thought advisable to increase the cost of tunnel to this extent.	

"The rails are laid 17½ miles South of Butler, and it is expected the remaining 12 miles to the river will be finished early in June.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, May 11th, 1897, there were present MM. FRICK (Chairman), SCHWAB, SINGER, CURRY, PEACOCK and MORELAND (Assistant Secretary); also MM. HENRY PHIPPS, JR., THOS. MORRISON, D. M. CLEMSON and W. W. BLACKBURN. (MR. LEISHMAN at Atlantic City; MR. LAUDER abroad; MR. L. C. PHIPPS abroad; MR. PONTEFRACT ill; MR. LOVEJOY, Secretary, on vacation, Ft. Monroe, Va.)

* * *

The following Report, dated May 11th, on the subject of Operations of Works, was presented by President Schwab, and was read in full by Secretary:

"EDGAR THOMSON STEEL WORKS produced last month 49,500 tons Ingots, 44,500 tons Rails and Billets. The cost of manufacture was $5.13 from Pig to Rails, an increase of 6 cents per ton over last month. This was chiefly due to the fact that Rails with high silicon requirements were made, and cost of recarbonizing was thus increased; accident to the Rail Mill Engine and repairs to same, also added some to the cost. It is believed that under normal conditions this cost will be reduced below $5.00 per ton. Particular attention is called to the cost of manufacture of Light Rails at No. 2 Mill, where Mr. Morrison has made some excellent improvements which, during their first month of operation, showed a reduction in cost of manufacture of 44 cents per ton as compared with the best month heretofore, and 71 cents per ton as compared with the average of last year.

"The Steel Works are now running smoothly and are in excellent condition throughout.

* * *

"DUQUESNE STEEL WORKS produced 33,600 tons of Billets at a cost of $3.78 from Pig to Billets, being the best month's cost yet had. There has been no further complaint with reference to the quality of the Billets produced at Duquesne for the last month. This mill will start on Rails on the 17th of May.

"HOMESTEAD STEEL WORKS produced 16,000 tons Bessemer Ingots, and 41,000 tons of Open Hearth Ingots, being a reduction of 20% in product from the previous month. Notwithstanding this, the costs throughout all Departments of the Homestead Works was about equal to the month before, and was notably better in Open Hearth No. 1, where the new handling and charging machinery was put in operation for the first time, and which showed a reduction of 27 cents per ton in cost of manufacture, principally labor, due to this new machinery. It might be well to note that the cost of manufacture from mixture to Ingots in our Open Hearth last month was $2.98 as compared with the average of $2.50 for

Bessemer, or a difference in favor of Bessemer of 47 cents per ton from the same priced mixture. With cheaper mixture, as existed last month, Basic Open Hearth Ingots cost less than Bessemer, and I have no doubt that under the same condition we will ultimately manufacture our Open Hearth Ingots at same cost from Pig to Ingots as we do Bessemer. Another noteworthy cost was that of Beams, which cost $20.81 per gross ton, including all general charges. This with Pig at $10.50.

* * *

"Lucy Furnaces produced 20,062 tons of Pig Iron with an excellent cost of manufacture. See comparative statement herewith appended.

"The Pig Casting Machine is now being operated most successfully, and no further serious trouble is being experienced by reason of cracked moulds.

"Lower Union Mills has had a reduction of 10% in the product of last month and has shown somewhat higher costs in Axles, but very marked improvements in the cost of their Plates. It is well to note that their cost of manufacture of sheared Plates, on their Plate Mill, has been reduced $2.00 per ton within the past two months, and there is now only a difference of $1.60 per ton between the cost of manufacture on our big Homestead Plate Mill, rolling heavy Plates, and our 29th Street, rolling Light Plates. I consider this a very good showing.

"Upper Union Mills; tonnage 12,500 tons Finished material for the month, being 1500 tons less than for the month of March. Costs throughout about the same as for March, excepting in the matter of universal plates, where a nice reduction was again made. Plates were produced at our Universal Plate Mills at a cost of $21.11 per gross ton, including all general charges.

"The column shop at Union Mills also made an excellent showing by reducing their cost of Fitting somewhat over $2.00 per ton.

BLAST FURNACE OPERATIONS.

	EDGAR THOMSON.	DUQUESNE.	LUCY.
Labor	.88	.66	.76
Repair Material	.12	.13	.20
Supplies	.13	.18	.15
Fuel	.01	.02	.00
	$1.14	$ .99	$1.11
Coke	1.96	1.82	2.06
	$3.10	$2.81	$3.17

At a Meeting of the Board of Managers of the

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, June 8, 1897, there were present MM. FRICK (Chairman), SCHWAB, CURRY, SINGER and LOVEJOY (Secretary); also MM. GEORGE LAUDER, THOMAS MORRISON, D. M. CLEMSON, W. W. BLACKBURN and G. H. WIGHTMAN. (MR. LEISHMAN detained at home; MR. PEACOCK in New York; MR. PHIPPS abroad; MR. PONTEFRACT ill, in Virginia.)

* * *

MM. Curry and Schwab, the Committee having in charge the purchase of Ores, made the following report:

Ores purchased to June 7th for delivery during season of 1897			Classification. Bessemer.		Non-Bessemer.	
Kind.	Tons.	Price.	Old Range.	Mis-sabe.	Old Range.	Mis-sabe.
Melrose,	5,000	2.82 L.*	5,000	....	....	....
Iron Belt	14,000	2.58 L.	14,000	....	....	....
Ashland,	120,000	2.66 L.	120,000	....	....	....
Aurora,	47,000	2.80 L.	47,000	....	....	....
Norrie,	200,000	2.65 L.	200,000	....	....	....
Montreal,	25,000	2.77 L.	25,000	....	....	....
Zenith,	18,000	2.87 L.	18,000	....	....	....
do.	40,000	2.96 L.	40,000	....	....	....
Pioneer,	82,000	2.86½ L.	82,000	....	....	....
Chandler,	350,000	2.92 5. L.	350,000	....	....	....
Pewabic,	32,500	2.00 M.*	32,500	....	....	....
Toledo,	25,000	1.50 M.	25,000	....	....	....
Genoa,	25,000	1.75 L.	25,000	....	....	....
Minnesota	100,000	3.11 L.	100,000	....	....	....
Vermillion,	50,000	2.25 L.	....	....	50,000	....
Cuban,	10,000	4¼ c. unit seabord,	10,000	....	....	....
Mountain,	350,000	2.25 L.	....	350,000	....	....
Oliver,	350,000	2.10 L.	....	350,000	....	....
Allegheny,	175,000	1.95 L.	....	175,000	....	....
Preble,	50,000	1.85 L.	....	....	....	50,000
Juniata,	75,000	1.85 L.	....	....	....	75,000
Newport (Spiegel),	25,000	3.15 L.	25,000	....	....	....
	2,168,500		1,118,500	875,000	50,000	125,000
Additional Purchases Intended.						
Lake Bess,	100,000	2.73 L.*	100,000	....	....	....
Republic,	30,000	3.17 L.	30,000	....	....	....
Champion,	75,000	2.90 L.	75,000	....	....	....

Genoa,	35,000	1.75 L.	35,000	....	....	....
Vermillion,	150,000	2.25 L.	....	....	150,000	....
	390,000		240,000	....	150,000	....
Total,	2,558,500		1,358,500	875,000	200,000	125,000

[a]L. Lake Erie Ports.
[z]M. On cars at Mine.

* * *

MR. LOVEJOY: "We have bought through Thomas Mellon & Sons an aggregate of 865 Shares of Stock in the Harvey Continental Steel Company, Limited. This is in addition to the 500 Shares we bought direct, for which we have a Certificate, and the 1500 Shares we are to receive from the Harvey Steel Company (the American Company). What is the instruction of the Board as to the name in which we should have the 865 Shares placed:—In This Association or in a Trustee? The Harvey Continental Steel Company does not know we are the owner of the 865 Shares."

MR. FRICK: "It would be well for the present to have Mellons endorse the Stock in blank, and turn it over to us. We can hold it in that shape until the matter is finally closed."

To this all agreed.

* * *

At a meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, June 15th, 1897, there were present MM. FRICK (Chairman), SCHWAB, LEISHMAN, CURRY, SINGER and LOVEJOY (Secretary); also MM. GEORGE LAUDER, THOMAS MORRISON, D. M. CLEMSON, GEORGE H. WIGHTMAN and W. W. BLACKBURN. (MM. PEACOCK and PHIPPS abroad; MR. PONTEFRACT ill, in Virginia.)

* * *

The President submitted the following report as to the operations of the Works:—

EDGAR THOMSON FURNACES: Produced 80,490 tons of Pig Iron, Spiegel and Ferro for the month of May. It will be noticed that the cost of mixture was about 80 cents per ton cheaper than the preceding month, due entirely to our having started the use of lower priced ores during this month. The operating cost of these furnaces is practically the same as April, labor being about 3 cents per ton higher by reason of having to stock larger quantities of ore than used. Everything at this plant in good condition.

EDGAR THOMSON STEEL WORKS: Produced 53,258 tons of ingots and 45,108 tons of Rails. The cost of pigiron to rails was the lowest we ever had, being $4.86 per ton for manufacturing. The lowest cost we had prior to this was during the month of April when the cost was $5.07 per ton, so that there is a clear gain of 21 cents per ton in cost of manufacturing over the best previous month.

NO. 2 RAIL MILL: This Mill continues to show a reduction in cost of manufacture and is doing excellent work, notwithstanding the fact that considerable money has been spent in improvement of the mill; all of which was charged into operating expenses.

HOMESTEAD STEEL WORKS: Produced 17,350 tons Bessemer Ingots and 40,584 Open Hearth Ingots, and has shown notable reduction throughout all articles manufactured. The Open Hearth costs were lower than Bessemer in every department of the Works; this is largely due to the fact that large quantities of very cheap scrap were used during the month which reduced the cost of mixture considerably. It will be noted that the labor cost in Open Hearth No. 1, with new machinery in full operation for a month, was slightly below $1.00 per ton.

Beams and Channels were produced at the lowest cost yet had. Beams on our 35" Mill being produced at a cost of $20.33 with pig iron charged at $10.50, and this also includes $1.50 for general expenses.

It is likely that the Armor Department may start up again for a short run with 140 tons of plate which the Government is about to order from us for the bulk-head armor for the new ship; to be paid for at a price to be agreed upon later, and on the basis of the limit fixed by the Government. The Homestead Steel Works continues to show a marked reduction in number of men employed. The entire work can now be run full with about 2,900 men."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg Pa., at 12:30 P. M. on Tuesday, August 17, 1897, there were present MM. SCHWAB (President), CURRY, PEACOCK, PHIPPS and LOVEJOY (Secretary); also MM. THOMAS MORRISON and D. M. CLEMSON. (MM. FRICK and SINGER abroad; MR. WIGHTMAN in the East; MR. PONTEFRACT ill).

* * *

The President submitted his monthly report as to operations at our Works, as follows:—

EDGAR THOMSON WORKS:

During the month of July, the Edgar Thomson Steel Works produced 46,931 tons ingots and 41,368 tons rails. The cost of producing rails from pig iron was the lowest yet obtained, being $4.38 per ton as the total cost of manufacturing.

* * *

HOMESTEAD STEEL WORKS:

* * *

Would also call your attention to the cost of beams in our 35" Mill for last month, being the lowest yet obtained; $19.30 as total cost including all general charges. The experimental

Producers at this Plant are well under way and will be ready for trial in about four weeks.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. on Tuesday, September 14th, 1897, there were present MM. SCHWAB (President), CURRY, PEACOCK, PHIPPS, WIGHTMAN and LOVEJOY (Secretary); also MM. THOMAS MORRISON, D. M. CLEMSON and GEORGE E. McCAGUE. (MR. FRICK in the East; MR. SINGER abroad; MR. PONTEFRACT ill).

* * *

The President submitted his usual monthly report as to the operations at the works for the month of August as follows:

* * *

"EDGAR THOMSON STEEL WORKS produced during the month 52,662 tons of Ingots and 45,153 tons of Rails. The cost of manufactures was the lowest yet obtained, being $4.73 from Pig to Rails."

* * *

"DUQUESNE STEEL WORKS. These Works produced during the month 36,355 tons of Ingots; 20,816 tons of Billets and 9,274 tons of Rails. Cost of manufacturing from Pig Iron to Billets was the lowest ever obtained, being $3.55 from Pig to Billets, or 23c. per ton less than the lowest cost ever obtained at these Works. It is now believed by the Superintendent at these Works that with his new Blowing arrangements completed and some other changes of minor character, which he is now making, that he can ultimately reduce this cost to about $3.25 from Pig Iron to Billets. With Pig at $9.25, which was the cost of production last month, would give us very cheap Billets. I think, generally considered, the practice at the Du-

quesne Works for the past month was the best we have ever had.

"Appended, please find a comparative statement of cost of manufacturing Rails between Edgar Thomson and Duquesne.

"LUCY FURNACES produced during the month 19,312 tons of Pig Iron at practically the same cost as preceding months. Note the comparative statement appended.

"UPPER UNION MILLS made during the month 17,500 tons of Finished Material, being the largest month ever obtained at these Works. Costs were lower in nearly every Department than any previous month.

"LOWER UNION MILLS shows an excellent reduction and especially in the cost of Sheared Plates. Although these Works have operated in a very satisfactory manner, it is believed that when labor is properly adjusted, and on a basis with similar Mills throughout the District, that their cost will be materially reduced.

EDGAR THOMSON AND DUQUESNE RAIL MILLS.
COST OF MANUFACTURE.

	Edgar Thomson.	Duquesne.
Loss	1.13	1.33
Repairs	.64	.58
Labor	1.57	1.56
Expenses	1.39	1.42
	4.73	4.89

FURNACE STATEMENT.

	Edgar Thomson.	Lucy.	Duquesne.
Labor	.84	.78	.71
Repairs	.11	.20	.14
Supplies	.14	.20	.16
	1.09	1.18	1.01

RAIL PRODUCTION.

Year.	Edgar Thomson. #1 Mill.	#2 Mill.	Billets.	Duquesne. Rails.	Billets.
1889	277,400	....	....	....	....
1890	332,940	....	....	....	14,534
1891	264,470	....	....	....	190,166
1892	330,511	....	18,960	....	238,525
1893	215,201	15,135	49,632	....	249,240
1894	199,748	20,589	68,508	....	294,615
1895	308,071	16,708	61,393	....	375,919
1896	283,262	17,514	34,300	....	354,966
1897—8 mo.	267,017	25,261	29,042	46,974	190,180
1897—4 mo., est.	160,000	20,000	....	33,400	102,300
1897—12 mo.	427,000	45,261	29,042	80,374	292,480

Rails on books at Sept. 1, 1897, 414,300 tons.

Rails on books at Jan. 1, 1898, 200,000 tons (estimated).

On motion, adjourned.

F. T. F. LOVEJOY,
Secretary.

Approved at Meeting held 17 Sept., 1897.
H. C. FRICK,
Chairman Board of Managers.

1 Copy each to
A. C., Cluny;
H. P., Jr., Knebworth;
G. L., Dunfermline;
15 September, 1897.

At a meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 p. m., Tuesday, October 5, 1897, there were present MM. FRICK (Chairman), SCHWAB, CURRY,

Peacock, Phipps, Wightman, Clemson and Lovejoy (Secretary); also MM. George Lauder, Thomas Morrison and George E. McCague. (Mr. Singer abroad).

* * *

Mr. Peacock: "We should consider the Rail situation, with a view to determining what we will do for next year. I do not mean to jump into the market, but we get some inquiries which we must answer or lose business."

Mr. Frick: "Mr. Gates claims the Illinois Steel Company has sold 45,000 tons of Rails at $21.00, and said further they would not sell for less."

Mr. Peacock: "They quoted $20.50 to Hagerman, of the Pecos Valley Railway, and are helping him to arrange a loan."

"We have rail orders on our books sufficient to run the Edgar Thomson Works full to July 1, 1898."

Mr. Frick: "That being the case, we should not sell rails at less than $20.00."

Mr. Schwab: "I think some of the mills will sell at less than that. Johnson, for instance, will take Rails at $19.00. The Colorado Fuel & Iron Company has placed extensive orders for machinery for the purpose of increasing their capacity in rails."

Mr. Peacock: "I think we should sell on such inquiries as come up, but we do not believe we will have to go below $18.00."

Mr. Frick: "But you would not sell Rails at $18.00 for delivery beyond June?"

Mr. Peacock: "No; but some orders we now have run beyond July 1st, and we can sell some Rails to fill up the gaps."

Mr. Frick: "I think for the present this matter may be left in the hands of the President and the First Vice President, taking up each case as it comes."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pitsburg, Pa., at 12:30 P. M., Tuesday, November 9, 1897, there were present MM. FRICK (Chairman), SCHWAB, SINGER, CURRY, PEACOCK, PHIPPS, WIGHTMAN, CLEMSON and LOVEJOY (Secretary); also MM. GEORGE LAUDER, THOMAS MORRISON and GEORGE E. MCCAGUE.

* * *

The President submitted his customary Monthly Report, as follows:—

* * *

"HOMESTEAD STEEL WORKS. * * * Costs on an average throughout the Works are slightly lower than preceding month. This is especially true in sheared plates, where we have had the largest months tonnage ever obtained; namely, 9,071 tons of sheared plates at a cost of $21.58 per gross ton, or about 9c. per pound. The cost of Open Hearth are also the lowest yet obtained, being $2.68 from mixture to ingots."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, November 16, 1897, there were present MM. FRICK (Chairman), SINGER, CURRY, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MM. GEORGE LAUDER and THOMAS MORRISON. (MM. SCHWAB and PEACOCK in New York).

* * *

MR. WIGHTMAN: "An encouraging feature of the market is the number of specifications on Contracts that are coming in

Bookings are quite satisfactory, considering the time of year, and our present average daily bookings are 100% better than at this this time last year. Mails are quite good this week.

(In reply to the chairman):

"We are getting better prices on Beams excepting for New York. We have not sold any 4" Billets, but I am told the price is $15.00, with $16.00 named for small Billets."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pitsburg, Pa., at 1:20 P. M., Tuesday, December 14, 1897, there were present MM. FRICK, CURRY, SINGER, PHIPPS, SCHWAB, PEACOCK, CLEMSON, WIGHTMAN and LOVEJOY.

* * *

"EDGAR THOMSON STEEL WORKS produced 56,656 tons Ingots and 48,211 tons of Rails, which is the largest tonnage ever produced at the Edgar Thomson Works. The cost of conversion was $4.70 per ton from Pig Iron to Rails, being also the best cost yet obtained and better than that obtained at Duquesne in August, 1897."

* * *

"DUQUESNE STEEL WORKS produced for the month of November, 31,737 tons of Billets, Sheet Bars, etc. The cost of manufacture from Pig Iron to Billets was the lowest yet obtained, being $3.30."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie building, Pitsburg, Pa., at 12:30 P. M., Tuesday, December 21, 1897,

there were present MM. FRICK (Chairman), CURRY, SINGER, SCHWAB, PEACOCK, PHIPPS, WIGHTMAN and LOVEJOY (Secretary); also MM. GEORGE LAUDER and THOMAS MORRISON. (Mr. CLEMSON investigating by-product Coke ovens).

* * *

A letter from Andrew Carnegie, dated at Cannes, December 7th, and referring to Net Earnings for 1897, was read, and had the careful attention of the Board: the following extract therefrom being ordered placed upon the Minutes:—

"It is a splendid year's business—when we consider conditions, really surprising—and proves once more that there is nothing like meeting the market, taking the business, and running full."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, January 4, 1898, there were present MM. FRICK (Chairman), SINGER, CURRY, SCHWAB, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MM. GEORGE LAUDER and THOMAS MORRISON.

The Minutes of the Meeting of the Board of Managers held December 28, 1897, were read, and, on motion, approved.

* * *

MR. PHIPPS: * * * "Our record as to sales for 1897 was a very clean one, with no bad debts, so far as known, and we have gotten in quite a number of old Accounts."

Mr. Wightman, as General Sales Agent, submitted the following reports:—

"The statement given below compares our estimated obligations (for the classes of material specified), at the open-

ing of business, Friday, December 24th, and December 31st, 1897:

Material	Dec. 24th.	Dec. 31st.	Difference.
Rails	323,155	310,784	Loss 12,371
Billets, Blooms, Sheet Bars etc.	85,291	144,637	Gain 59,346
Structural & Ship Mater'l.	103,765	102,088	Loss 1,677
Axles & Bars	13,631	13,436	" 195
Plates	30,465	29,905	" 560
"Total	556,307	600,850	Gain 44,543

"The statement given below compares our estimated obligations (for the classes of material mentioned) at the opening of business December 26, 1896, and December 31st, 1897:

Material.	1896 Dec. 26th.	1897 Dec. 31st.	Difference.
Rails	25,516	310,784	Gain 285,268
Billets, Blooms, Sheet Bars, etc.	116,691	144,637	" 27,946
Structural & Ship Mater'l.	136,529	102,088	Loss 34,441
Axles & Bars	5,739	13,436	Gain 7,697
Plates	22,953	29,905	" 6,952
Total	307,428	600,850	Gain 293,422

"All in Gross Tons and based upon our minimum obligations."

MR. WIGHTMAN: "The loss shown above in Ship Material can be accounted for when it is recalled that in '96 we were just entering into one of our periodical pools, and had to cover all negotiations with regular customers that were in progress at the time."

"The summary of Contracts sales for the month ending December 31st, 1897, is as follows ("D"-Domestic; "F"-Foreign):

Net Tons.	Material.	Average Price Per Lb.	Average Price Net Ton.
12,616	Structural, "D"	1.0534 c.	$21.068
2,046	Structural, "F"	.87 c.	17.40
1,350	Bars, "D"	1.077 c.	21.555
201	Bars, "F"	.99 c.	19.86
1,240	Plates	1.115 c.	22.312
2,734	Axles, "D"	1.157 c.	23.158
1,500	Ingot Moulds & Stools.	1.157 c.	13.45

Gross Tons.	Material.	Average Price Gross Tons.
1,450	80% Ferro, "D".....	$44.865
700	80% Ferro, "F".....	37.813
20,750	Standard Rails, First, "D".....	16.952
1,769	Standard Rails, Seconds, "D".....	16.952
797	Light Rails, "D".....	18.000
45	Light Rails, "F".....	17.69
445	Splice Bars, "D".....	20.16
40,285	Billets & Slabs, "D".....	14.959
8,000	Billets, "F"	13.675
6,300	Sheet Bars, "D".....	16.126
10,000	Sheet Bars, "F" (see below).....	13.706
280	Silico-Spiegel, "D"	28.65
927	Plate Shearings & Crop ends, "D"....	10.484
500	Pig Iron, "D".....	10.25
2,000	Bessemer Ingots, "D".....	12.10

MR. PEACOCK (In reply to the Chairman): "The present price of Sheet Bars is $17.50."

MR. FRICK: "Then we lose nearly $4 per ton on this Foreign business."

"The summary of Contract Sales from January 1st to December 31st, 1897, inclusive, is as follows:

Net Tons.	Material.	Average Price Per Lb.	Average Price Net Ton.
281,933	Structural	1.043 c.	$20.84
52,584	Plates	1.055 c.	21.112

13,575	Bars	1.02 c.	20.40
10,130	Ingot Moulds & Stools	———	14.146
125	Forgings	2.635	52.70
10,874	O. H. Steel Axles	1.121 c.	22.425
800	Nickel Steel Axles	2.985 c.	59.70

Gross Tons.	Material.	Average Price Gross Ton.
769,402	Standard Rails, Firsts	$16.47
6,094	Standard Rails, Seconds	15.00
10,256	Light Rails	18.324
25,821	Splices	21.70
405,931	Billets & Sheet Bars	15.15
10,800	Ingots	12.288
23,595	80% Ferro, "D"	44.865
10,110	80% Ferro, "F"	37.388
6,250	20% Spiegel	20.628
42,583	Pig Iron	9.70
43,748	Plate Shearings & Crop Ends	11.928
380	Silico-Spiegel	30.16

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, January 11, 1898, there were present MM. FRICK (Chairman), CURRY, SINGER, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN, and LOVEJOY (Secretary); also MR. THOMAS MORRISON. (MR. SCHWAB in New York.)

* * *

MR. FRICK: "Some time ago Mr. Fownes, of the Carrie Furnace Company, came in and said that they would like to sell the Carrie Furnaces. He named $800,000 as the price. I told him that was too high. Later he said they would take $750,000; a small Cash payment, and the balance on long time, but that the interest must be at 6%. They would also want to

be paid for the Pig Casting Machine being constructed. MM. Schwab and Morrison visited the Furnaces, and, after a thorough examination made a report. This report Mr. Schwab has with him. Mr. Fownes said he would give us an option to February 1st, but came in later and said they would like very much to have an answer by the 15th of January. This I told him was impossible, as our absent Partners could not be consulted and a decision arrived at so early. He did not agree to let us have the option to February 1st, but I think he will, although he seemed a little less anxious to sell than at first.

"There is a tract of 32 acres adjoining their property belonging to a man named Dennison. This the Carrie Furnace Company has been trying to buy, but could not. The tract will undoubtedly come into the market some time, and in connection with the Carrie Furnace property will make a very desirable site. It now looks very much as if with the increase in Steel Products, we will need some additional Pig Iron. Having our own Ore, Coke, and transportation, it is better to make our own Pig Iron than to purchase, and the Carrie Furnaces being near our Works, it would be a desirable property to buy. Mr. Morrison's report is not favorable, but I think we could put the furnaces into satisfactory shape, and that the entire investment would not be as great as if we built."

MR. MORRISON: "It would take a lot of money to do that—how much I cannot say today. When I looked over the Plant, I could not see how it could be improved up to our standard. There are many difficulties in the way: the arrangement is poor, Stock House too narrow, and many other faults."

(In reply to the Chairman):

"Hot Metal *could* be taken across the river. I would not say it could not be, because they do it in some places, but it would take a very expensive bridge. I would not risk taking it by wire rope. It does not pay to handle less than 10 or 15 tons, and to get that on a cable would not be safe. I would prefer a barge transfer, with a floating dock at each landing, to rise and fall with the river."

MR. FRICK: "What is the capacity of the furnaces? Mr. Fownes told me 675 tons per day."

MR. MORRISON: "I would think about 600 tons. One of

the Furnaces would need to be relined at once. It is in bad shape. Three or four of the stoves are in very fair shape. The boiler plant is in good order now, the engines are of only four feet stroke."

MR. SINGER: "Wouldn't we probably rebuild the whole furnaces, if we get them?"

MR. MORRISON: "That is about the easiest way out of it."

MR. FRICK: "Is there not a probability that we would keep out another steel works by purchasing the furnaces?"

MR. SINGER: "I do not think so. I do not think they are likely to build."

MR. MORRISON: "Mr. Hemphill told me a short time ago they had been considering building because they realized they must either build a steel plant or get out of the business."

MR. PEACOCK: "They are not likely to build unless they can form some alliance to get rid of their Billets."

MR. CURRY: "It is not so much the property itself, but the influence it would have upon some one going into the Steel business. As far as the increase in capacity is concerned, I would prefer it at Edgar Thomson. When we start the new Open Hearth Department at Homestead, we will be in the market for from 150,000 to 200,000 tons of Pig Iron yearly."

MR. SINGER: "There is one advantage in buying: It would not increase the product of Pig Iron."

MR. CURRY: "It would take us at least a year to build Furnaces, and it would take more money."

MR. MORRISON: "Not if we put Carrie Furnaces into proper shape."

MR. PHIPPS: "We will undoubtedly need more Pig Iron."

MR. PEACOCK: "If the Carrie Furnaces can be bought at a reasonable price, we should have them. We are going to use more Pig Iron than we are making."

MR. WIGHTMAN: "I think we are going to need more Pig Iron, but we would be better off if we build at Edgar Thomson.

"I do not see the disadvantage of buying a little Pig Iron. If we buy, we raise the price and get the benefit of it."

MR. PEACOCK: "We would not get the benefit on our finished product, as we would be sold up on billets."

MR. CLEMSON: "If we can buy at a satisfactory figure, we

should do so. We will need the Pig Iron and the site is a good manufacturing one."

MR. LOVEJOY: "Buying the Furnaces will not keep anyone out of the Steel business; there are other sites. Our people undoubtedly know the Pig Iron requirements, but our President is on record as saying, August 31st: 'I think we will have some surplus of Pig Iron when the Furnaces get to running to their full capacity.'"

MR. FRICK: "But it must be borne in mind Duquesne's capacity is being increased, and Edgar Thomson is also increasing her product."

MR. MORRISON: "We need more Pig Iron today at Edgar Thomson. We are waiting on Pig now, because we have two furnaces on ferro."

MR. PHIPPS: "It is a question if Duquesne is not nearer Homestead as to time of transportation than Carrie would be."

MR. FRICK: "There is a disadvantage in building. When we start in to build we spend more money than we expected."

"That is about all we need to put on record today, however. We will take up the question again when we get Mr. Carnegie's views."

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, January 18, 1898, there were present MM. FRICK (Chairman), SINGER, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN, and LOVEJOY (Secretary); also MM. GEORGE LAUDER, THOMAS MORRISON and JAMES GAYLEY. (MR. SCHWAB abroad; MR. CURRY in Duluth).

* * *

MR. PEACOCK: "In discussing the Girder Rail situation with several of our people fear has been expressed that we would not be able to take care of that business this year, and

that it would pay us to defer making girder rails until next year, especially considering the number of orders for other products we are getting. I have taken up the matter with the other Girder Rail Makers with a view to staying out of the market for a consideration, and expect to have the matter closed within a few days on terms very favorable to us.

"There seems to be considerable inquiry for 'T' rails, but we have no definite orders to report today."

* * *

MR. LAUDER: "Since it appears we are not to make any Girder Rails this year, would it not be a splendid opportunity to make some Open Hearth 'T' rails, and have a thorough test made as to their advantages or disadvantages, compared with Bessemer, and determine whether or not our standard of rails is the proper one? I am in favor of this now that we have everything ready to make Girder Rails; all that we would need in addition would be the rolls for 'T' rails."

MR. MORRISON: "We have made at Edgar Thomson, out of Open Hearth Blooms furnished by Homestead, about 2,000 tons of Open Hearth 'T' rails. These have been for various Roads, in lots of 25 to 50 tons, and all are being tested and watched."

MR. SINGER: "I do not think we should stir up this question, especially since we have some Open Hearth Rails being tried."

MR. PEACOCK: (In reply to the Chairman):

"The cost of low phosphorus say .06 Rails is found to be about 25 cents per ton more than our usual Bessemer Standard."

MR. MORRISON: (In reply to the Chairman):

"The Girder Rail Mill is too large a Mill to make 'T' rails to advantage."

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, January 25, 1898, there were present MM. FRICK (Chairman), CURRY, SINGER, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN, and LOVEJOY (Secretary); also MR. THOMAS MORRISON, (MR. SCHWAB abroad).

The Minutes of the Meetings of the Board of Managers held January 18th and 20th, 1898 were read and, on motion, approved.

MR. PEACOCK: "We have closed up the Girder Rail matter, of which I spoke last week, receiving $100,000.00 in consideration of which we are to defer, for one year from January 1st, the making of Girder Rails. Out of this we will have to pay Wharton $7,500.00 for the cancellation of our Contract to sell all our 1898 product through him. This leaves us in as good shape to begin making Girder Rails next year as we are now.

"In this connection, I would like to correct the Minutes of last Week's Meeting. The first approaches in this matter were made by the other Girder Rail makers. They approached us; we did not go to them."

MR. FRICK: "It seems to me the arrangement is a very good one, especially as that Mill will have all it can do anyway. Our expenditures so far in fitting up the 33" Mill for making Girder Rails amounts to $61,000.00. We get this back, and have a profit of over $30,000.00."

* * *

MR. FRICK: "Our Duquesne Furnaces cost to January 1st exclusive of land, $4,731,027.76.

"Lucy Furnaces are carried on the books at $1,250,000.00. We have ten acres less land at Lucy than owned by Carrie, but the market value at that location, at present, is higher per acre. In a few years, the Carrie location, on the Monongahela River, will sell as high per acre. As a location, today, everyone must admit it is the better for a Fur-

nace Plant. As a general proposition I would not favor the purchase of an old plant.

"The Carrie Furnace people are in better shape to go into the Steel business than were the old Pittsburg Bessemer people and the party who built our Duquesne Mill, and it seems to me if we do not buy, they will surely erect an Open Hearth Plant and Billet Mill of some description.

"I have expressed myself rather in favor of the purchase, in order to draw everyone out, but before voting on it, I want to go thoroughly over the Plant. Mr. Morrison says for $300,000.00 he can make the Carrie Plant in every respect as good as the Lucy. That being the fact—with this expenditure we would have a plant with ten acres more ground at a cost of $200,000.00 less than Lucy's stand on our books."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, February 1, 1898, there were present MM. FRICK (Chairman), CURRY, SINGER, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MR. THOMAS MORRISON. (MR. SCHWAB abroad.)

* * *

MR. FRICK: This subject should be well considered, and Mr. McCague should devote his energies to securing the lowest rail rates possible. The Illinois Steel Company should not be able to do better than we do."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, February 15,

1898, there were present MM. FRICK (Chairman), SINGER, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MR. THOMAS MORRISON. (MR. SCHWAB abroad; MR. CURRY in the West.)

* * *

MR. WIGHTMAN: "Specifications are slow in the present condition of the market, and we must run the Mills; therefore while we are stirring up our customers for specifications, we are also hunting new business.

"We have made a sale of Sheet Bars in the Illinois Steel Company's territory, at $16.00 our Works, 4,000 tons; one-half to be delivered before July 1st and one-half after that date.

(In reply to the Chairman):

"I am still hopeful, but think we should take everything offering in Structural Material."

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, March 1st, 1898, there were present MM. FRICK (Chairman), SCHWAB, CURRY, SINGER, PEACOCK, PHIPPS, WIGHTMAN and LOVEJOY (Secretary); also MR. THOMAS MORRISON. (MR. CLEMSON in Centre County.)

The Minutes of the Meeting of the Board of Managers held February 22, 1898, were read, and, on motion, approved.

MR. SCHWAB: "Mr. Carnegie desired me to convey to the Board his congratulations on the result of 1897 operations, which were eminently satisfactory.

"Mr. Carnegie thinks also that while we are making good profits, we should not hesitate to spend money freely for improvements, and in keeping our Plants up to date in every respect. At the time I left him, he was opposed to buying the Carrie Furnaces, but I learn since that his views changed afterward."

* * *

MR. SCHWAB: "The English Rail makers have had a Meeting, and have decided to offer the American manufacturers an allotment of 100,000 tons of Rails, including Canada, if we will keep out of the foreign market. I told them that allotment was entirely too small, and that we would not consider such an offer. They will probly have another meeting, and we may hear from them later."

* * *

"The summary of Contract Sales for the month ending February 28th, 1898, is as follows:

Net Tons.	Material.	Average Price. Per Lb.	Average Price. Net Ton.
14,247	Structural—Domestic	1.057c.	$21.141
56	Structural—Foreign	.8758c.	17.516
300	Structural—Canadian	1.075c.	21.50
8,142	Plates—Domestic	1.0666c.	21.3326
2,795	Bars—Domestic	1.0294c.	20.5880

Gross Tons.	Material.	Average Price Gross Ton.
2,300	80% Ferro Manganese—Domestic.....	$43.937
28,850	Billets—Domestic	14.58
100	20% Spiegel—Domestic	21.50
100	Silico Spiegel—Domestic	32.414
15,475	Std. Rails—Firsts—Domestic.....	18.00
400	Std. Rails—Firsts—Canadian	17.70
2,281	Std. Rails—Seconds—Domestic	16.10
3,250	Scrap—Domestic	11.60
26,000	Ingots—Bessemer—Domestic	12.90
3,477	Light Rails—Domestic	16.6454

300	Light Rails—Foreign	17.2665
4,613	Splice Bars—Domestic	19.7359
38,500	Sheet Bars—Domestic	15.59

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, March 22, 1898, there were present MM. FRICK (Chairman), SCHWAB, CURRY, SINGER, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary.)

* * *

The following communications were read:—

From David Evans to Millard Hunsiker, Assistant to President, dated Middlesborough, March 10th:—

"You will remember that early in January last we met in Birmingham, and you had an interview with the Members of the English Ferro-Manganese Association. After that Meeting you were told that after further consideration a communication might be made to you in the nature of a proposal for the American Ferro Makers to consider. On behalf of the English Makers I am now in a position to make you a proposal for controlling the Ferro trade as between the English and American Makers. The English Makers are not able to exclude themselves altogether from the American Market, but they are willing to allow you to control that Market in the sense of fixing the price for consumption in your country; and the English Makers will undertake to limit their sales in America at the American prices to a maximum of 15,000 tons per year. On the other hand, the American Makers will be at liberty to sell in Europe other than England, a similar quantity. In the European Market we of course will fix the price, and below which you will not be at liberty to sell. It is proposed to make the arrangement for say to the end of the present year, and subject to three months' notice from September. It is assumed that your firm will practically be able to control all

American Makers of Ferro, but if, for any reason, other makers appeared who could not be controlled, the situation would require to be reconsidered and modified to suit existing circumstances. I may say in passing that it has taken a little trouble to arrive at the point where we now are, and I hope you will be able to conclude the negotiations on the lines now indicated."

From Millard Hunsiker, Assistant to President, to the President, dated London, March 12th:—

"I send you herewith a copy of David Evans' letter of the 10th inst., in regard to Ferro-Manganese. Kindly advise me of the action I shall take in regard to this.

"I am rather surprised and sorry that we have not received a better proposition; in fact I was led to believe that a more favorable one would be received; but, considering the fact that we have now entirely stopped selling Ferro-Manganese, it seems to me that any arrangement made for maintaining prices would be of advantage to us.

"If you are inclined to give their proposed arangement a trial, what price do you want to fix for American Ferro?"

MR. SCHWAB: "At first I was inclined to think it would be unadvisable to make this arrangement, but, after discussing it with Mr. Curry, I look at it a little differently. If we make the same prices, the effect will be that we will make all the sales in this Country, and the English Makers will take the foreign business."

MR. CURRY: "I think that would be the effect, and as the arrangement can be terminated at the end of three months' notice, I think we had better try it. We should have a little more definite understanding, however, as to what we shall do in case other Makers come into the market."

MR. FRICK: "It seems to me it is a good thing because it puts us in touch with the Foreign Makers, and paves the way for amicable action hereafter. That would be an advantage as we cannot continue to do business, at arms length."

On motion, (Curry and Peacock,) the arrangement proposed was authorized, the details and arangement being left in the hands of the President; the vote being unanimous.

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, March 29, 1898, there were present MM. FRICK (Chairman), SCHWAB, CURRY, SINGER, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MM. HENRY PHIPPS, Jr., and THOMAS MORRISON.

The Minutes of the Meeting of the Board of Managers held March 22, 1898, were read, and, on motion, approved.

MR. H. PHIPPS, Jr.: "I take pleasure in approving the action of the Board at its last Meeting as to the additional interests of MM. Schwab and Peacock."

MR. SCHWAB: "We are badly in need of additional capacity for building columns. It has been suggested that we buy certain of the tools that will be ultimately needed for our Fitting Shop, and place them in the building we would have used in making Girder Rails. As the Board is aware, we arranged with the other Girder Rail Makers that we would not make any Girder Rails this year. The lowest cost we have had on Columns is $16.00 per ton. The lowest price we are quoted by other Makers is 1c. per pound, while Mr. Corey figures that with this suggested arrangement at Homestead the cost will only be about 1½c. per pound. Aside from this, it will be a great convenience to do the work ourselves. The tools needed would cost about $24,000.00 I would not favor doing this as I did not feel confident that this year's arrangement can be renewed for next year, and that we will not make Girder Rails in '99. When we do decide to make them, the cost of removing the tools will be comparatively small.

"This matter was discussed at the Superintendents Meeting last Saturday and met with general favor, and has also been favored by members of the Board individually."

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, April 5, 1898, there were present MM. FRICK (Chairman), SCHWAB, SINGER, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and MORELAND (Assistant Secretary); also MM. HENRY PHIPPS, Jr., GEORGE LAUDER, JAMES GAYLEY and THOMAS MORRISON. (MR. CURRY abroad, MR. LOVEJOY in Florida).

The Minutes of the Meeting of the Board of Managers held March 29, 1898, were read, and, on motion, approved.

The following communications from Mr. Andrew Carnegie were read;

Letter dated Cannes, 21st March, 1898:

"Wrote you Saturday about Scranton, which you may not receive until after this, as it may go by the French boat.

"The enclosed shows us what Pennsylvania Steel can do. The Bethlehem Company has probably done no better upon its general business—except for Government work it would just be as Scranton and Pennsylvania. All this goes to prove that we should ally ourselves with Cambria, as I suggested in letter to you Saturday, and take the Rail business of the country, as far as necessary to give Cambria, 150,000 tons and ourselves 600,000, making price the same at Chicago, Pittsburg, and seaport, so that no Railroad would get its Rails cheaper than another, although upon some we should have to pay freight.

"It has occurred to me that perhaps Cambria would be dealt with easier if you guaranteed them a certain amount of Rails. This guarantee should not be for an amount exceeding the average they have made for the past three or five years.

"Please show enclosed to the Board, and oblige."

Letter dated Cannes, 19th March, 1898;

"I hope you have read to all your partners the report of the Annual Meeting of the Lackawanna Company, which you have sent me.

"They should all be apprised of the fact that no effective competition is possible by that Company, or by any of the big concerns in the East. Sparrows Point, Harrisburg, Bethlehem, it is all the same. The East is a clear field for us at $15.00 or $16.00 per ton for Rails, and this should not be lost sight of.

"It seems to me that our policy is to make an amicable arrangement with Cambria. If it would take one quarter, we could easily get 750,000 tons for the two concerns, giving Cambria 150,000 and leaving us the 600,000. Cambria has never made 150,000 tons, while we can make the 600,000.

"If this were done, we should then decide to take the Eastern market.

"You will evidently not have to reduce the price of Rails this year, and therefore, nothing is to be gained in striking, but for next year it may be necessary to go lower than ever to show the Eastern mills that the struggle is hopeless.

"Is the W. W. Scranton displaced Walter Scranton the President, or his brother Will? If it is the President, matters are serious. I hope you have shown the Chairman the report of Lackawanna, as he has always been impressed with the ability of that company to compete with us."

MR. FRICK: "We all appreciate what Mr. Carnegie says relative to Cambria. Our Rails are sold too far ahead, and at such prices that we could not go into arrangement just at this time. Well, of course, to keep the matter under consideration, to be followed up as soon as we are in position.

"In regard to Lackawanna, from all the information we have, they are in position to make every cheap Pig Iron, and could likely be made a formidable competitor if their Company was well managed. If they had a man like Mr. Schwab, they would make things lively for us."

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, April 12th, 1898,

there were present MM. FRICK (Chairman), SINGER, SCHWAB, PEACOCK, PHIPPS, WIGHTMAN, CLEMSON and MORELAND (Assistant Secretary); also MM. GEORGE LAUDER, THOMAS MORRISON and JAMES GAYLEY. (MR. CURRY abroad, MR. LOVEJOY in Virginia.)

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MR. PEACOCK: "Combination prices; Base price 1.15 for 15 inch Beams at the Works; other prices accordingly."

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. Tuesday, April 26, 1898, there were present MM. FRICK (Chairman), SCHWAB, SINGER, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MM. GEORGE LAUDER, THOMAS MORRISON and JAMES GAYLEY. (MR. CURRY abroad).

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MR. PEACOCK: "The market looks healthy, and we are getting our share of business."

(In reply to the Chairman):

"We have not been disadvantaged so far by the action of Congress as to war matters."

MR. SINGER: "Our business is unusually good. The indications are that there will be more acres in wheat this year than ever before. They are buying anything in the shape of steel that will scratch ground."

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, May 10th, 1898, there were present MM. FRICK (Chairman), SCHWAB, SINGER, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MM. GEORGE LAUDER, THOMAS MORRISON and JAMES GAYLEY. (MR. CURRY abroad; MR. PEACOCK in Milwaukee).

The Minutes of the Meeting of the Board of Managers held May 3, 1898, were read, and, on motion, approved.

The following communication from Andrew Carnegie, to the President, dated at Cannes, April 27th, was read: —

"NOTES ON MINUTES APRIL 12TH.

"GUNS. Bethlehem contract surely does not cover new battleships just ordered, nor ships that American builders are sure to get. The world is mad just now, every power increasing the navy. I am sure that the addition to our Works of a Gun Plant would be very profitable.

"ELECTRIC HOISTS. Morrison says 'B' costs one-third the others—startling. It will not be long before he runs them all electrically.

"BESSEMER ROAD NEW EQUIPMENT. Perhaps no more will be needed with storage of coal and ore at Conneaut and operations regular the year through—very happy about this. seems the key to certain success.

"PAINTER SLIDING SCALE. If Painter can build Steel Plant, we can build Hoop Mills. No doubt our President will know how to make use of that undoubted fact.

"Isabella furnaces and land with Coal properties do not seem dear at $1,500,000, but as the Chairman says we have enough of better things yet to do than to buy them. Long Bonds at 5%, $75,000 a year, would give us the property for

nothing sure, and from the start practical monopoly of Pig Iron manufacture in Pittsburg. Rather tempting to a grasping monopolist concern.

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, May 17, 1898, there were present MM. FRICK, (Chairman), SCHWAB, SINGER, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MM. GEORGE LAUDER and JAMES GAYLEY. (Mr. Curry abroad; MR. PEACOCK in Minneapolis.)

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MR. SCHWAB: "The present seems to be a proper time for us to decide on whether or not we will go into the Gun Forging business, or will accept from the Bethlehem Iron Company an additional tonnage of Armor in lieu of the Gun Forgings. We find the aggregate tonnage of Armor and Forgings so far to be, approximately:

24,000 tons of Armor;
5,000 tons of Gun Forgings.

"Based on the total tonnage, we should get 60% of the Armor, but that would allow the Bethlehem Iron Company nothing for their large investment in the Gun Forging Plant. I favor making an arrangement with Bethlehem on the basis of 60 and 40%, if we can so arrange it. This agreement would have to be for a term of years.

"$2,000,000.00 would be required to put our Plant into shape to finish guns for both the Army and Navy."

MR. FRICK: I think the President is right, excepting as to the percentages, which should be nearer 70 and 30%.

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, May 31, 1898, there were present MM. FRICK (Chairman), SINGER, SCHWAB, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN, and LOVEJOY (Secretary); also MM. GEORGE LAUDER, THOMAS MORRISON and JAMES GAYLEY. (MR. CURRY abroad).

MR. WIGHTMAN: "Business seems to be improving, and we notice a better feeling in the East right along. There is not much change in prices, but we are getting pretty good prices now."

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At a meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, July 5, 1898, there were present MM. SCHWAB (President), SINGER, PEACOCK, PHIPPS, CLEMSON, and LOVEJOY, (Secretary); also MM. THOMAS MORRISON, JAMES GAYLEY and H. P. BOPE. (MM. FRICK and CURRY abroad: MR. WIGHTMAN in Boston.)

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MR. PEACOCK: "The outlook is very good. Mails are keeping up well, and there is no slump in prices. Inquiries are increasing. We have closed our sliding scale Billet Contracts on basis of $15.00."

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, July 12th, 1898,

there were present MM. SCHWAB (President), SINGER, PEACOCK, PHIPPS, CLEMSON and LOVEJOY (Secretary); also MM. THOMAS MORRISON, JAMES GAYLEY and H. P. BOPE. (MM. FRICK and CURRY abroad; MR. WIGHTMAN in Boston).

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MR. SCHWAB, (Continued): "150,000 tons is a larger Stock than we should carry, but I do not see much prospect of reducing it by our operations. We will keep even with our production, however. I do not think it wise to sell Pig today. In view of the fact that our Stock is not likely to increase, I think we should wait until say September."

MR. PEACOCK: "The price of Pig in the Valley today is $10.00, but I would not be surprised to see it go down at any time."

MR. SCHWAB: "If we were to attempt to sell any quantity of Pig now, would not the Combination go to pieces?"

MR. PEACOCK: "I do not think 40 to 50,000 tons would break it."

MR. SINGER: "I do not think the Pig Combination amounts too much."

MR. PEACOCK: "They talk strong, and have succeeded in keeping up the price."

MR. SINGER: "It seems to be the general public opinion that the Pool is not very strong. Singer, Nimick & Company bought some Pig about two weeks ago, for delivery all this year, at $10.25 our Mill. The market is pretty dull on Bessemer Pig, and if we go in it at all we should do so very carefully, but I think we will get more in the Fall."

MR. GAYLEY: "Between now and September 1st, all the Furnaces in the Valley are to stop one month, and this to be in addition to any time they may shut down for repairs. I think the Pig market will grow stronger towards the 1st of September."

MR. BOPE: "That seems to be good logic."

MR. CLEMSON: "I would let our Stock go say 30,000 tons per month, providing it would not affect the market. I would not sell to an extent that would break the market."

MR. MORRISON: "I think as Mr. Clemson does. Our Fur-

naces are in very good shape, and our product will be large."

MR. LOVEJOY: "I think it well to wait a little, and not jump on the market."

MR. PHIPPS: "We seem to have 50,000 tons more than we need, but if we can go on two months without increasing our Stock any, I think we should wait."

MR. PEACOCK: "I think we had better wait a little, but the Board should authorize the sale at the proper time; that is, if Jones & Laughlins or any other buyer should want a large lot of iron, we should be in position to let it go."

MR. SCHWAB: "I do not think we should or would miss anything of that kind."

MR. SINGER: "It would be very bad policy for us to break the market."

MR. SCHWAB: "It would be certain to re-act on Finished Material.

"It may be recorded as the sense of the Board we should not make any extensive sales that would have a bad effect on the market."

To this all agreed.

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, July 19, 1898, there were present: MM. SCHWAB (President), SINGER, PEACOCK, PHIPPS, CLEMSON and LOVEJOY (Secretary); also MM. THOMAS MORRISON, JAMES GAYLEY and H. P. BOPE. (MM. FRICK and CURRY abroad; MR. WIGHTMAN in Boston.)

The Minutes of the Meeting of the Board of Managers held July 12, 1898, were read, and, on motion, approved.

MR. SCHWAB: "As the members of the Board are aware, we have had under consideration for some months past the purchase of the Pioneer Mine Leases, but without coming to any conclusion. Mr. Lauder and I met Mr. Oliver in New

York, just before Mr. Lauder sailed, and received from him a report, which Mr. Lauder took with him for the information of our absent Partners. That report should be placed upon the Minutes."

The Report was read, as follows:

"In the statement I sent you (at the time we had the Norrie and Tilden properties under consideration, about one year ago), for presentation to Mr. Carnegie and Mr. Phipps, on your trip abroad, I argued the advisability of taking a lease of the Pioneer Mine, which adjoins the Chandler Mine on the Duluth & Iron Range R. R. Our investigation during the last half of last year so confirmed our views as to the value of the property that, as you will remember, those of interested, in Pittsburg, unanimously approved the action of Mr. Curry and myself in proposing to take a lease of this Mine on terms involving a minimum output of 500,000 tons per annum, and the payment of a royalty for the first ten years of 62 cents per ton, and, thereafter, for all time, of 52 cents per ton. Tempting as such a large income should have been to the owners of the property, the arrangement proposed has fallen through, for the reason that we insisted that the Fee Owners should extend the lease (which expires in eight years) for fifty years. The Fee Owners, who are rich and strong and well versed in the value of large bodies of Bessemer ore, being interested in the adjoining Chandler property which has yielded such a magnificent revenue for the past fifteen years, have refused to make a reduction of the royalty or an extension of the lease, unless the lease-holders would give them in hand a cash bonus of so large an amount that the lease-holders could not consent to it. Anticipating such a result, I some time ago, as you will remember, after consulting with you, adopted the plan of dealing with the fee-owners and lease-holders separately. The parties in interest are fighting among themselves. The lease-holders, having our tentative agreement of last December in hand, flooded the Mine, abandoning their 1898 allotment (in the pool) of 388,000 tons, so as to force the fee-owners to reduce the royalty below the present 40 cents per ton, and to extend the lease.

"The parties in interest on both sides, with the exception

of Senator Spooner, are mainly North-Western lumber men, suspicious of each other, stiff and ugly to deal with, most of them in a fight with the Minnesota Iron Company, but all men who have a great appreciation of the value of their property.

"The lease-holders are handicapped by a contract with Oglebay, Norton & Co., of Cleveland, by which they are compelled to pay, during the term of the lease, or of any renewals of same, a commission of 10 cents per ton for handling the ore in Cleveland. This contract undoubtedly caused the failure of a sale to the Minnesota Iron Co., of the lease in 189[illegible] for One million of dollars.

"The Pioneer Mine is undoubtedly the greatest known body of Bessemer Ore (Other than Missabe) outside of our Norrie and Tilden Mines.

"Excepting our development on the Miller & Brown property adjoining the Pioneer, there has not been discovered or developed in the Lake Superior Region, in the last twelve years, any other deposit of high grade Bessemer ore. I particularly emphasize this fact, to impress on you the growing value of this character of ore.

"I therefore recommend the following:

"(1st.) The arrangement you and I made with Mr. H. H. Porter (which he has confirmed at two lengthy interviews I have had with him in New York since your departure), by which he agrees that if we give him 500,000 tons of traffic on his railroad, per annum, he will indirectly make such rates of freight as will allow us to deliver the Pioneer and neighboring ores at Lake Superior ports, at the same cost (counting the value of the ores as to iron, phosphorus, etc.), as our Norrie and Tilden ores.

"(2nd.) I have an initial agreement with the fee-owners, giving us a fifty year lease, on 500,000 tons minimum, at the reduced royalty of .35 cents. This they absolutely refused to the lease-holders, unless accompanied by a bonus of $300,000.00 in cash. I have hopes that when I am prepared to make them a firm offer I can better the above terms.

"(3rd.) I propose that we purchase the stock of the lease-holding company—the Pioneer Iron Company—40,000 shares (excepting the Thos. Bardon Stock, which will be acquired as

stated below), as $15.00 per share, one-third cash, remainder one, two, three, four and five years, with interest at 5%. This subject to $200,000.00 of 6% Bonds existing on the property, which can be retired at any time, but which mature 10% per annum, commencing 1906.

"(4th.) I have partially arranged with Oglebay, Norton & Co., to cancel the contract by which they receive 10 cents per ton, and pay them in lieu thereof, a royalty on the ore produced during the next 20 years, of 2 cents per ton.

"(5th.) Thomas Bardon, an owner of 4,000 shares of the Pioneer Stock, is so firm in his views of the value of the property, that he has refused to sell his Stock and insists upon being allowed to remain with us as a minority stock-holder. As that is against our policy and might cause friction, I have made an arrangement with him by which he will deliver us his 4,000 shares for a royalty of 2½ cents per ton on all ore produced from the property.

"The arrangements with Oglebay, Norton & Co. and Bardon are the best I could do. They are unquestionably fair and to our interest to wipe out the two troublesome factors which have heretofore prevented the Minnesota Iron Co. from acquiring the property.

"(6th.) Dr. Conan, who owns half the fee and also 4,000 shares of the Pioneer Company Stock, can only be induced to make the extended lease at the reduced royalty and to part with his Pioneer Company Stock at $15.00 per share, by a bonus of $40,000.00.

"Our investment would then be as follows:

36,000 shares at $15.00 per share	$540,000.00
Bonus to Dr. Conan	40,000.00
Assumption of Bonds	200,000.00
"Total	$780,000.00

"A statement submitted to me shows that the Company would be handed over to us free of debt and with possibly a small surplus in the Treasury. For the above sum, we would receive a mine in working order, prepared to produce 500,000 tons per annum, and on which there have been expended in

shafts, machinery and blocking out of ore, about $400,000.00.

"(7th) The lease to be extended for a long term of years at 35 cents per ton to the fee-owner,

2 " " " " Oglebay, Norton & Co.,
2¼ " " " " Bardon,

39¼ cents = Total.

"It is obvious that this plan, although involving an investment of money, is much better than taking a lease at 62 cents per ton as contemplated last winter. Interest and a sinking fund to extinguish the investment, added to the above 39¼ cents, would bring the total royalty and investment charge up to not over 53 cents per ton, against 62 cents as originally proposed.

"The Ore Pool has figured out the comparative value of all Bessemer ore on an absolutely scientific basis:

Pioneer ore is rated at	$3.03
Against Tilden,	2.62
" Norrie,	2.84

"These comparative values are confirmed by Mr. Gayley from his experience and records. Thus, the Pioneer ore is worth 41 cents per ton (more than the royalty) over Tilden, and 19 cents per ton over Norrie.

"I know of no other deposit of high grade ore. Its immensity grows on investigation. The width of the vein, six hundred and twenty feet, as shown by Dr. Hulst's Report, is tremendous. It looks as if the adjoining Chandler property which has already produced over 5,000,000 tons and paid its stockholders enormous dividends, was the tail end of the whale-like body existing in the Pioneer property.

"With our improved methods of mining, with the introduction of electric haulage system in the mine, and with a production of half a million tons per annum, we can attain a mining cost which would be less than half the amount that most of the mines that have been supplying us, with their small product and narrow veins, have been paying for labor alone.

"My estimate of cost of the Pioneer ore, taking Dr.

Hulst's cost of mining, and present Lake freights on the above basis for royalty and with a sinking fund for extinguishment of investment, and allowing an exceptionally high rail freight is as follows:—

Royalty & Sinking Fund.....	53 cents	per ton,
Cost of mining & taxes.....	55	do
Rail freight.....	70	do
Lake freight.....	60	do
	$2.38	

or 4 6/10 cents per unit delivered Pittsburg.

"The Cleveland holders of stock in the Pioneer Company, who hold the troublesome contract that I propose to extinguish, paid for 15,000 shares of the stock we propose to buy, when they secured the contract, $13.50 per share, and in addition have since paid several assessments for development.

"It is unnecessary to mention the high quality of this ore and its adaptability for mixing with the Missabe ores. The Carnegie Company have been steady consumers of Chandler ore and know its high character. It is a semi-hard ore, very dry and a perfect smelter.

"I am of the opinion that this is the greatest deposit of ore, outside of our Norrie group, in the world. I also believe that with the continual widening of the deposit as we sink deeper, as shown in Dr. Hulst's Report, and as shown by the developments in the Chandler Mine, there is in the Pioneer Mine twelve to fifteen and perhaps twenty million tons of ore. The property is nearly virgin, less than half a million tons having been mined from it. It is therefore comparatively a much cheaper purchase than the Norrie Mine. The main point I would impress upon you is that there is no other large deposit of Bessemer ore (outside of Missabes) available. There is practically nothing left on the Gogebic Range outside of what is known as the Montreal group which is strongly held and which I do not think we could acquire. The original Min-

nesota mines, on account of the narrowing of their vein, have this year again asked the Carnegie Company to permit postponed deliveries, proposing to deliver in 1899 ore originally sold for delivery in 1897. The Carnegie Company have settled, as their practice, on not over 40% of Missabe ores. Going on that line, there should, in my judgment, be no hesitation in our making the purchase of this Pioneer property. Taking the ore actually blocked out (as per Dr. Hulst's Report), 3,250,000 tons, it would require only a profit of 27 cents per ton to repay our investment, with interest.

"I have made every effort with the lease-holders, and the foregoing is the very best I can do. With a firm offer, I may do a little better with the fee owners. The complications were so great, the interests so diverse, and the side-contract so troublesome, that the Minnesota Iron Company and all other parties have been unable to secure this great property.

"I have in my possession executed papers and sixty day options, as follows:—

"1st: Initial agreement with the fee-owners for a fifty year lease, 500,000 tons minimum, at a royalty of 35 cents.

"2nd: Agreement with Thomas Bardon, by which he delivers his 4,000 shares for a royalty of 2½ cents per ton.

"3rd: Options to purchase 18,175 shares at $15.00 per share.

These together are a majority of the stock, but I do not propose to take the Company unless we can secure substantially all the shares.

"I have also Oglebay's verbal assurance that he would sell us his 4,000 shares at $15.00 on settlement of commission contract.

"I unhesitatingly recommend the purchase of the stock and predict that time will show the acquisition of this mine to be the most profitable venture we have made in the ore line.

"The Oliver interests can readily use their proportion of the Pioneer ore. They are also anxious that the Oliver Iron Mining Company purchase the property, and are prepared to contribute their proportion of the requisite funds. I have made careful estimates of the quantity of Bessemer ore that the Carnegie and Oliver interests consume, and I find that on even a normal year's consumption, we can easily take care of

our guaranteed minimums, and in addition the proposed minimum from the Pioneer. It should be remarked that while the minimums are high, they are actually the tonnage which should be produced from the respective mines in order to reach the lowest cost of mining.

"I enclose Dr. Hulst's Report, and also the report of the Superintendent of the Mine, Mr. Sturtevant. The striking features in Dr. Hulst's Report are:—

"1st: His estimate of 3,250,000 tons of ore in sight;

"2nd: His opinion that there is a great underlying deposit;

"3rd: His confirmation of our views as to the high grade of the ore and the low cost of mining;

"4th: His statement that the mine is well equipped with machinery and shafts to produce 400,000 to 500,000 tons per annum, and with sufficient ore blocked out and opened up to provide for several years work.

"5th: The enormous width of the vein. Working mines on the Menominee, Marquette and Gogebic Range from 40 to 120 feet.

"Respectfully submitted,

"HENRY W. OLIVER.

"To MR. H. C. FRICK, Chairman.

"New York, June 30, 1898."

MR. SCHWAB: "We have also an exhaustive report from Dr. Hulst. This need not be placed upon the Minutes, but it is at the service of any member of the Board; most have read it.

"On Thursday last, we received the following from Mr. Carnegie:—

"'All approve purchase. Oliver may do much better acting freely. Minimum should be four.'"

MR. SCHWAB, (Continued): "Mr. Oliver thinks he will be able to do much better than is set forth in his recommendation. He thinks the minimum can be made 400,000, and that he can get Five cents off the royalty, with some other concessions.

"This Mine would make us safe for the next Twenty years at the least, and there would be no more expenditure for

Ore property during that time. Taking it all through, I think it a very wise purchase. Mr. Lauder thought so, and the cablegram just read shows what our absent Partners think of it."

A general discussion of the details involved followed, all endorsing the opinion of the President that the investment would be wise and to our advantage.

On motion, (Clemson and Phipps,) the purchase, leasing, etc., in accordance with the report of H. W. Oliver, subject to such modifications as he might be able to arrange, was approved; the vote being "Aye": MM. Schwab, Singer, Peacock, Phipps, Clemson and Lovejoy; MM. Morrison, Gayley and Bope concurring.

MR. PHIPPS, (to Mr. Gayley):

"Since the Mine has not been operated for some time past, is there any danger we would not be able to clear it of water?"

MR. GAYLEY: "No. They shut down the pumps the first of January, and expected the water to fill it to about the seventh level in three to five weeks. As a matter of fact it took seven months for the water to get to that point. It is a very simple matter to clear the Mine."

(In reply to the President):

"This is the largest body of Ore that can be negotiated for at this time.

"A Mr. Wilson, who owns 8,000 Shares of the Stock, had a traffic arrangement to carry all the Ore, but Mr. Oliver believes he can arrange for the cancellation of this Contract by giving Wilson the preference on a small quantity; so that this Agreement will not bother."

"The following cablegram from Mr. Carnegie, dated July 18th, was read:—

"Conneaut, yes. Curry, Phipps, myself firm 60% Armor, or bid for Guns, taking risk arranging after we get contract. If impossible, then make ourselves."

MR. SCHWAB: "I have arranged for a meeting between

Bethlehem Iron Company, Midvale Steel Company and ourselves, and will report to the Board the result."

* * *

MR. PEACOCK: "Mails have been very good for the past week. Our Boston Office reports the sale to Washburn & Moen of 24,000 tons of 4" Billets at $17.00 delivered. Shipments run to April.

"The Cleveland Rolling Mill Company advises us that the Consolidated Steel & Wire Company has bought from Lorain a considerable quantity of Billets—exact tonnage not known—at $13.75 delivered, or between $13.25 and $13.40 at Works."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, August 16, 1898, there were present MM. FRICK (Chairman), SCHWAB, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MM. THOMAS MORRISON, JAMES GAYLEY, W. W. BLACKBURN and H. P. BOPE. (MR. SINGER at Narragansett; Mr. CURRY at Atlantic City; MR. PEACOCK on Great Lakes; MR. PHIPPS at Spring Lake.)

* * *

The following communication from the Chairman, under date of August 15th, was read:—

"After closing the purchase of 300 acres of land on Lake Michigan, I wrote Mr. Carnegie on June 2nd, 1898, as follows:

"'Have just purchased, and paid for, 300 acres of land within 18 miles of Chicago (that is the Fort Wayne Station, Chicago), and about 4 miles east of Illinois Steel Company's South Chicago Works, on Lake Michigan. Enclose you herewith map, showing land in red. It has frontage on Lake Michigan of about 4,000 feet. Have all riparian rights. Land is about, on an average, 15 or 20 feet above the Lake, nice and dry, and is an ideal location for Blast Furnaces, etc. Have

had an Engineer make an estimate of the cost to construct a harbor. His estimate is about $100,000.00, which would give a depth of over 20 feet of water. I paid in cash $105,000.00 for the 300 acres and have an agreement with responsible parties, that in event of a Works being erected, thereon within five years (nothing said as to how large a Works), they would contribute $100,000.00 toward building a harbor, provided it required so much. If not, they would pay up to that amount. There was no obligation entered into, on my part, nor inducement held out, in the purchase of the property, that Works would be erected. It was only provided that in case a Works should be erected within five years, that the parties selling the land would contribute towards building the harbor. I look on it as a good safe investment, whether it is ever used for manufacturing plant or not. When Illinois Steel Company acted as they did with the South West Coke Company property, and armor matters, I decided I would purchase a good location somewhere near them, which could be used, if necessary, some time in the future, and think the purchase well worth the money. Do not know that I would favor Carnegie Steel Company going so far from home, but the occasion might arise when it would be deemed proper to do so, in which event no better place could be secured, in my opinion. I, however, had it distinctly understood with the parties from whom this property was purchased that Carnegie Steel Company had nothing whatever to do with it, and were in no way concerned. Endeavored to keep my name out of the transaction, and so far as the records go, it is not in the transaction, as I took the property in the name of S. H. Waddell, Trustee. Have no partners in this transaction whatever, and am perfectly free to do anything with the land I see proper.' "

"Before sailing for Europe, I directed Mr. Waddell to secure a competent engineer to make plans and specifications for a first class harbor, and, on their completion, to take bids for its construction."

"The following letters of August 13th, 1898, from Mr. Thomas Rodd, will give you the situation as it is:

* * *

"PITTSBURG, PA., August 15th, 1898.

MR. H. C. FRICK,
City.

DEAR SIR:

Replying to your inquiry on subject of Site for Steel Works and Harbor, on the South shore of Lake Michigan, about two miles southeast of Whiting, Indiana, and about six miles southeast of Calumet Harbor, at South Chicago, Illinois, I beg to say that the site appears to me a very favorable one, for the following reasons:

"1st. The ground selected is ample in area, with exceptionally good railroad facilities. With all the trunk lines both East and West either on the ground, or accessible by the Belt Railroad Lines now on the ground, or owning the rights of way and ready to reach any industrial enterprise nothing seems left to be desired on this score.

"2nd": As to water facilities: The Harbor would, I believe, be as good as any similar one on our Lakes. The Calumet Harbor, at South Chicago, six miles away, has served well for years. The Whiting Pier, of the Standard Oil Company, though slightly constructed, stands perfectly well; having talked with the Government Engineers in charge of work at and north of this place, and with a number of reliable contractors familiar with Lake Harbors, and from my own knowledge, I feel sure that this Harbor will be safe, convenient, and economical to construct, maintain and use. The bids received sufficiently indicate this as to construction; they are low figures, made by men willing to execute the work at small profit.

'This point is accessible from every point on our Great Lakes and consequently to all territory adjacent as well as to the Mississippi Valley, should the drainage canal be navigable, which seems probable.

'3rd: As to convenience for bringing together the materials entering into steel making, you are no doubt better qualified to judge than myself; however, it appears to be entirely satisfactory in this respect, and similarly as to its suitability as a distributing point for finished steel, a better place could hardly be found; in view of the fact that unequalled railroad and water facilities converge here, at Chicago, and reach

the entire continent, and also in view of the fact that the center of population, so to speak, has been steadily moving westward, and is now, I judge somewhere near the Eastern line of Indiana.

'4th: The supply of water for the works would be unlimited and of good quality.

'5th: The wastes from the works may be cheaply disposed of, either on the 300 acres owned or by spreading over the low land near by, at no doubt a profit, as filling is scarce and expensive. These wastes may also be utilized to make more land on and protect the Lake front.

'6th: The proximity of the great labor market of Chicago, without the disadvantage of being too near it, renders it practically certain that there will be no labor troubles.

'7th: As a point to construct buildings, Chicago has every advantage: the land is underlaid with brick clay and brick is very cheap; stone, cement and lumber, as well as all other materials, are cheap and good.

'To sum up, every natural and artificial circumstance affecting this site and harbor seem to be most favorable and to indicate an almost ideal point for a steel making plant.

Yours truly,'

(Signed) THOS. RODD.'

"Mr. Rodd stands high in his profession, and is known by many of you personally, he is Chief Engineer of Pennsylvania Lines West, and thoroughly familiar with Chicago and its vicinity.

"I bring this matter before you, as both Mr. Carnegie and Mr. Phipps were of opinion, when I saw them at Skibo, that the land should belong to this Association. No action is now necessary, but would like the members of the Board to think it over, and, if they should deem it wise that it should be owned by his Association, whether or not they would favor proceeding with the construction of the harbor at once. It will require about one year to construct the harbor, and even after that is done, if it should be thought unwise to go farther, the property with the harbor would be worth much more than the amount invested.

"In the proposed consolidation of Illinois and Minnesota Companies (and likely Lorain), we may find it necessary to properly protect our large interests to have a small but complete establishment in Chicago.

"Mr. Schwab has looked over the plans, etc., and is as familiar with the location, and everything connected with it, as myself, except that I have had the advantage of viewing the ground."

MR. SCHWAB: "I have gone over this matter thoroughly, and am firmly of the opinion it would be well for this Association to purchase the property from Mr. Frick. We should be very glad of the opportunity to get it. I think also we should begin improvements at once, as the amount expended would not be lost even if we did not go further, and the effect on some of our Western friends would be very good. I really think it will be necessary for us to take some steps in that locality. I am heartily in favor of our owning the property.

MR. CLEMSON: "I second Mr. Schwab's remarks in their entirety; it would have a very good effect."

MR. SCHWAB: "When the matter was first spoken of to me, I was not much in favor of it, but, after thinking it over in all its bearings, I changed my opinion. I am strongly in favor of it; I think it well worth the comparatively small outlay."

MR. GAYLEY: "I would take the property, and begin constructing Docks at once."

"I think also we should give careful consideration to the cheap Basic Ores in the Iron River District; their use would give us considerable advantage."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, August 23, 1898, there were present MM. FRICK (Chairman), SCHWAB, CURRY,

PEACOCK, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MM. THOMAS MORRISON and W. W. BLACKBURN. (MR. SINGER at Narragansett; MR. PHIPPS at Spring Lake.)

The Minutes of the Meeting of the Board of Managers held August 16, 1898, were read, and, on motion, approved.

The following cablegram from Mr. Carnegie, at Skibo, received this morning, was read:—

"Market report Pittsburg sale Bessemer Pig Iron 125,000 tons, last five days. How much have you sold of this? Think it a good time to sell surplus. Winter near."

MR. SCHWAB: "On this question I have written Mr. Carnegie today, as follows:—

"'I have your letter of August 8th, regarding Pig. We look at the matter a little differently here from what you do.

"'From the orders on our books we feel that we are going to run our Mills full during the whole winter. This means that we can consume a larger percentage of pig in the winter than during the warm months of summer, and on this account our stock will decrease. It should be borne in mind that Furnace "I" and Lucy No. 1 will go out of blast and we are running one Carrie Furnace on low phosphorus pig which we are selling. We are also making some sales of pig to such customers as will not affect the general market. For example: Sold to Marshall on Saturday 9,000 tons pig, provided he would take 50% of broken moulds which is equivalent to pig to us. We are also selling small lots of a similar character to other customers. We feel certain that any extensive sale of pig at this time would lose us a great deal of money; not because I expect the price of pig to be better, but because billets which we are furnishing on sliding scale contracts are based on the price of pig, and any break in this price will force our whole product of billets to a lower level of which we are making from 3500 to 4000 tons per day at both Homestead and Duquesne. Besides this all other material will respond to the lowering in price of pig. While we have a large stock, say 60,000 tons more than necessary, I really feel that we are going to reduce this by consumption and by sales which we feel will not affect

the general market. Mr. Frick fully agrees with this policy. The Valley people are strongly maintaining their price of $10.65 Pittsburg, but are leaving some of their Furnaces off to maintain this price. This undoubtedly is a great help to us at this time.

"'I hope that you will agree that this is the proper policy. I leave for the Northwest tonight; expect to visit the Pioneer and other Mines, and have a little trip over the Lakes.'"

(In reply to the Chairman):

MR. PEACOCK: "I think the President is just right, and that we should not sell any pig, excepting Basic and such small lots of Bessemer as can be sold without affecting the market."

MR. BLACKBURN: "I think the President is right."

MR. WIGHTMAN: "I agree."

MR. CLEMSON: "So do I."

MR. MORRISON: "I do."

MR. CURRY: "I fully endorse his letter."

MR. LOVEJOY: "I think his policy the right one."

MR. FRICK: "It seems to me his policy is exactly right."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, September 20, 1898, there were present MM. FRICK (Chairman), SCHWAB, SINGER, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MR. THOMAS MORRISON and JAMES GAYLEY. (MR. CURRY in California.)

The Minutes of the Meeting of the Board of Managers held September 13, 1898, were read, and, on motion, approved.

The following correspondence was read:—

From Andrew Carnegie to C. M. Schwab, President, dated at Skibo, August 15th:—

"I should like the Board to know that the foreign business we are doing nets two dollars per ton less than the domestic. I do not know who is responsible for this, but it does seem to me that this is paying ten times too much for glory. I know that Mr. Hunsiker represents that we shall lose the British trade unless we keep on supplying it. This in my opinion is without foundation. We can get the trade any time we quote 50 cents less than the market, and not a ton should be sold which does not net us as much as we can net at home. Such are my views, and I beg you to lay them before the Board and ponder them yourself."

The President's reply, dated September 19th:—

"Replying to your letter about the Foreign Business netting us $2.00 per ton less than Domestic Business, beg to say that our policy on Foreign business has been to only sell our surplus. As a rule we do not sell abroad unless the price nets us as much as domestic trade nets us, unless we are unable to keep our Mills running full on domestic orders.

"The receipts for foreign business, as shown by the Minutes of August 7th, sheets 6 and 7, are lower than actual receipts because the ocean freights are estimated. We are always able to get better freights than those on which we estimate, making the actual receipts higher than those shown on these sheets.

"Again, it should be borne in mind that these sales were made early this year when prices were very much lower than at present. Since home demand has strengthened up and prices advanced, we are selling practically nothing abroad, excepting structural material and rails, for which we have a very large capacity and which we do not expect to net us as much as our home products, which are sometimes sustained by combination arrangements.

"With reference to the Ferro Manganese, you are no doubt well aware that this was sold abroad in order to force the foreign manufacturers to make an arrangement by which they should keep out of our markets. This has been practically accomplished. I recall only one or two orders which were sold abroad for the reason that we thought we might lose the British trade unless we kept on supplying it.

"Be assured that as long as we can keep our Mills full on home orders, we shall sell nothing abroad that does not net us as good prices as home products, except in such cases as we are satisfied would lose the trade if we refuse to sell entirely and cases such as these are few."

* * *

The following letters from Andrew Carnegie to the President were read:—

Dated, Skibo, September 2nd:—

"Minutes of Board Meeting—16th—Chicago Property.

———

"My recollection is that the sellers of the property agreed to spend $100,000.00 in making a Harbor, any time within five years. The Minutes do not say anything about this. It seems unnecessary for us to spend $150,000.00 improving the Harbor if we can call upon the sellers to pay $100,000.00 any time within five years, if there is a manufacturing works put upon the ground within that time.

"The merging of the Lorain with the Illinois Steel Company gives that concern a position in our territory, which is to be regretted. We may be forced to enter theirs at Chicago after a time, but we should consider the matter well before spending money now.

"It seems to me no advantage to have a Harbor, since it can be built in a year, which is sooner than the works could be built, so that the Harbor would be ready in time.

"The consolidation of Minnesota and Illinois Steel Company goes for nothing, since they were practically one before. The addition of Lorain is a new element, but no form of consolidation affects the vital point—the bigger the corporation, the more unlikely that it will be managed closely. No stockholding, stock-jobbing concern can meet the competition of a partnership like ours. In one sense the consolidation will probably be favorable for us; the huge concern will be more vulnerable, profitable working a necessity. If ever they wish

an arrangement with us, we can dictate our own terms. I hope no arrangement ever will be made until the consent of your humble servant and others are obtained. We ought never to divide the East with anybody; we have the rates that enable us to control that whole market. A division of western business might some day be in order, but only then upon equality.

"I notice the Cambria Iron Company has "reformed", $24,000,000.00 capital—perfect folly. These corporations all go from bad to worse. "Stock making" and "Money making" are two things usually incompatible."

Dated, Skibo, September 6th:—

"Minutes—Chicago Land:—

"Since we have $1.40 per ton upon Finished Material to Chicago, the land there has become much less valuable to us. I do not believe that Chicago ever will be our best point to fight Illinois Steel Company.

"In Pig we should be probably 75 cents per ton behind at Chicago, ore costing us 80 cents per ton of Pig more, Chicago coke costing them $1.45 more, coke waste by transportation probably 10 to 15 cents against them per ton.

"I still believe that if necessary to sell Pig Iron in Chicago we shall be able to do it by means of rail to Conneaut, costing us little, the difference between loaded and empty cars, and Lake; 75 cents a ton would be ample freight Pittsburg to Chicago.

"The advantages of massing our operations, also the ability to dispose of any surplus of any kind of Pig, would more than compensate for any advantage that I can see from making it in Chicago.

"I am very clear that the most effective use we can make of that ground is to keep it in reserve and not spend any money upon it."

* * *

MR. PEACOCK: "The Agreement between the different Rail Makers to maintain the price of Rails and protect each other on inquiries has been called off. It might be well to outline a policy to be pursued with regard to Rails. I think

we can run the Rail Mill full next year at $18.00, but to get some of the Western business, we would probably have to go to $17.00 Chicago."

MR. FRICK: "Several of the Companies have been anxious to have a Meeting, with a representative from us. Mr. Scranton talked with me on the subject, and I told him Mr. Schwab was absent, but that they might go ahead and hold their Meeting, and confer with him after his return. I also told him I thought we would enter into any amicable arrangement, provided, and only on condition that we are to run full. I do not know that they had any previous meeting, but they have fixed one for next Thursday, which Mr. Schwab expects to attend. It might be well to have an expression of the opinions of the members of the Board for his guidance."

MR. PEACOCK: "If we are guaranteed a full tonnage, I would be willing to make an Agreement as to price."

MR. SINGER: "I do not look for a boom, but think conditions will be better than this year. I would fill up at any price."

MR. GAYLEY: "I would keep the Mill running full without regard to prices."

MR. WIGHTMAN: "I do not see how we can fix the price on Rails to-day. We must feel our way along, and deal with each case as it comes up."

MR. CLEMSON: "It is very important that we keep the Mill running full, but whether or not this would be advisable without regard to prices would depend on what the prices were. I would rather make an Agreement than sell Rails at $12.00."

MR. MORRISON: "We ought to get fair prices and still run full. We could not have made any more Rails this year than we have."

MR. PHIPPS: "Price Agreements cannot be expected to last unless there is some penalty, say in the shape of a deposit. With present conditions, there should be a pretty fair demand for Rails next year."

MR. LOVEJOY: "It is better to run full at a very low price than half time at a very high price. We are in position to make the price ourselves, and I would not consider any

Agreement that would not permmit us to run as full as possible."

MR. FRICK: "As far as Chicago business is concerned, it seems to me we should be able to get the share of Rails to which we are entitled without any special cutting of prices, by notifying the Roads there we will meet any price made by the Illinois Steel Company."

MR. SCHWAB: "I fear the Chicago Roads will not give us business at the same prices they pay the Illinois Steel Company. They have no particular reason for doing so, while they have business reasons for buying from the latter Company."

MR. FRICK: "Roads to whom we give business—ore and coke business, especially—should certainly give us a share of their Rail orders at Illinois price.

"We cannot get Costs down any more, and if we make any more money it must be done by our getting better prices. It is pretty hard to define a policy now, but I think we will have a better idea of the situation after the President has attended the Meeting."

* * *

MR. FRICK: "I have had two notes from Mr. Oliver, which are of general interest, and should be placed upon the Minutes."

The letters were read, as follows:

"PITTSBURG, September 15, 1898.

"I closed the settlement of all the Pioneer Stock, in New York, last week, on the lines laid down in the programme given you, but at a gain of $14,000.00 in the price of the Stock and 2c. per ton lower royalty.

"I met Mr. H. H. Porter, whom I noticed working very hard during the intense hot weather we experienced there, and he informed me, with exultation, on Friday last, of his great relief in having completed the final organization of his 'Federal Steel Company.' He told me that the old organizations would continue, the Federal Steel Company holding all their Stock in their Treasury, and directing their policy.

"Mr Porter particularly desired me to convey to you the following:—

"'That the new organization would in no way be a menace to The Carnegie Steel Company, but that every effort would be made by them to work in harmony with you; and that his belief was that matters of friction that may have existed heretofore would be wiped away, and that the future would show that his new combination would be of great benefit to the Steel Trade.'

"PITTSBURGH, September 16, 1898.

"I had several interviews, in New York, with F. T. Gates, during the past two weeks, with a good show of success towards having our royalties and minimums, at the Missabe Mountain Mines, reduced, and the Ohio Mine, which abuts on us with a 100 ft. face of ore, added to our holdings, so that we could make a thorough cut and mine our ore at half its present cost, besides improving its quality.

"A more important matter, however, developed. I drew out of Mr. Gates the fact that they had been approached repeatedly (I think by their Standard Oil Associates, who are largely interested in Minnesota Iron Company and Illinois Steel Company Stocks), to merge, or trade, or sell for cash, the Rockefeller interests in the North-West, to the new Federal Steel Company. I served notice on Mr. Gates, with a promise from him that he would convey the same to Mr. Rockefeller, that this was contrary to the spirit of our Agreement, that it was a menace to our interests, and that on no account should anything be done that would make the Federal Steel Company our landlords. I secured a promise that if things should come to a head the matter would first be laid before us.

"I think this is an effort, on the part of H. H. Rogers, Brewster, Bishop and other Standard Oil partners of Mr. Rockefeller, to induce him to join the Federal Steel Company in controlling the Ore situation, as they have heretofore controlled the oil trade.

"Mr. Rockefeller's Company, the Consolidated Mines, own large fee properties on the Missabe Range, a great number of leases at extremely low minimums, and control, in addition to our 70,000,000 tons, on which they collect royalties, about 120,000,000 tons, as near as can be estimated, all underground workings, we having secured all their steam-shovel mines. The Consolidated Mines Company, the Minnesota Iron Company, the Mahoning and ourselves practically control all the Ore in the Missabe Range.

"The Consolidated Stock is $30,000,000, no Bonds. The Stock is now selling at 35 to 40. Mr. Rockefeller owns 75% of it and is gradually picking up the remainder. The Company owns all the Capital Stock of the Duluth, Missabe & Northern Railroad, on which there is a bonded debt of about $5,000,000, long bonds. In addition, Mr. Rockefeller owns all the Stock of the Bessemer Steamship Company, which has a wonderful fleet of 21 new modern boats, costing, so Mr. Gates informed me, $4,000,000. This figure I find on investigation to be correct. The value of their property is in their magnificent railroad and fleet, both of which are very badly handled. Your Bessemer Road will haul Ore at one-half their cost per ton per mile.

"I cannot see that the Federal Company could hurt us very much by taking in the above. At the same time, hard as the Rockefeller people are at times, I ten times over prefer them to the new and untried party. One thing I can now say positively, this Mr. F. T. Gates is the master, that what he says "goes" of course after he has first satisfied himself and submitted his plans to Mr. Rockefeller's veto.

"I have this matter in excellent shape and shall keep close watch on it."

MR. FRICK: "I do not think Mr. Rockefeller would take any action against our interests without giving us an opportunity to discuss the matter with him. There always have been differences between Mr. Rockefeller and his Standard Oil Company Associates."

There being no further business, the Meeting, on motion, adjourned.

F. T. F. LOVEJOY,
Secretary.

Approved at Meeting held,
27 Sept., 1898.
H. C. FRICK,
Chairman Board of Managers.

Copy to
A. C., SKIBO;
H. P., JR., BEAULY;
22 September, 1898.

At a meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, October 4, 1898, there were present MM. FRICK (Chairman), SINGER, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MM. THOMAS MORRISON and JAMES GAYLEY. (MR. SCHWAB in New York City; MR. CURRY in California.)

The Minutes of the Meeting of the Board of Managers held September 27, 1898, were read, and, on motion, approved.

MR. PEACOCK: "We have had a very good week on all our Products:—Finished Material, Billets and Slabs. We have sold 25,000 tons of Rails, for shipment to Mexico, at $18.00 New York. We have sold the Pittsburg Wire Company 12,000 tons of Billets at $15.60 delivered, and, for Foreign shipment, 2,000 tons of Angles at .95 and 1,000 tons of plates at 1.10½ Works. Matters are in very good shape."

The following telegraphic correspondence with Mr. Carnegie was read:—

From Andrew Carnegie, Ardgay, September 30th:—

"No Agreement should be made to please the Illinois

Steel Company until absent Partners have been consulted. Rails will probably be scarce during next year. We take market East, West unrestricted. Equal price Pittsburg, Chicago and Seaboard."

To which the President replied, September 30th:—

"Rail orders in hand sufficient to run to April 1st. If no Agreement can be made, there will be a decrease in price to $16.00 Chicago and New York, imperiling all orders actually in hand; also a reduction in the price of all other materials. Our opinion is demand still continues very good for 1899. Just closed 25,000 tons for Mexico. Board unanimously decided an arrangement between Rail Makers will be to our advantage if guaranteed 30% United States, ensuring our keeping Mills in full operation during 1899. If Cannot be arranged as suggested, Board believes it will be to our advantage to make arrangements with the Federal Steel Company, including Lorain, to divide business. It would be equivalent to dividing business West, and only a temporary arrangement for 1899. Stock of Pig Metal reduced September over 20,000 tons. Business generally very good."

From Andrew Carnegie, Ardgay, October 3d:—

"When the Illinois Steel Company broke, Agreement was no peace will be made without a full consultation. It is not asking very much that three-quarters interest should be consulted, one-quarter should not act. There is plenty of time. Will meet you on arrival, October 20th. If the Illinois Steel Company cannot wait three weeks, take the consequences. Believe a continuance of war much better for us than any peace; a good start for Federal being the last thing desired."

From Andrew Carnegie, dated at Ardgay, October 4th:—

"Report by wire, rails will net Federal 20 while Carnegie Steel Company net only 18. If you agree ever take less for home business than Illinois Steel Company get you will be sorry. Our only safety make some delivered price Chicago, Seaboard, Pittsburg, but net standard prices in home market like Federal. There is no reason why Pittsburg Railroads should pay less than Chicago."

Also the following memorandum from the President to the Board, dated October 3rd:—

"In connection with the above cablegrams, I go to New York to-night to meet the other Rail Manufacturers, and hope to make such arrangements as will permit of the postponement of the entire matter until Mr. Carnegie's return."

MR. PEACOCK: "Mr. Schwab telephones from New York this morning that the indications are very favorable for his being able to have the matter postponed as he desired, probably without the request coming from us."

* * *

"The summary of important Sales from January 1st to September 30, 1898, inclusive, is as follows:—

Net Tons.	Material.	Average Price Per Lb.	Average Price Net Ton.
191,689	Struct'l & Ship—Domestic	1.10c.	$21.91
12,375	do —Canadian	1.01	20.22
26,755	do —Foreign	.89	17.76
78,560	Plates—Domestic	1.11	22.17
2,284	Nickel Steel Plates—Domestic ...	4.58	91.64
3,342	Plates—Canadian	1.03	20.67
7,543	Plates—Foreign	.89	17.74
35,287	Bars—Domestic	1.02	20.31
373	Bars—Canadian	1.00	19.94
1,393	Bars—Foreign	.96	19.15
13,418	O.H. Steel Axles—Domestic	1.15	23.04
720	Ingot Moulds—Domestic	..	14.25
373,739	Net Tons, Total.		

Gross Tons.	Material.	Average Price Gross Ton.
19,505	Ferro Manganese—Domestic	$45.38
300	do —Foreign	35.91
289,604	Billets & Slabs—Domestic	15.05
1,450	do —Foreign	14.83
97,586	Sheet Bars—Domestic	15.74
8,000	Sheet Bars—Foreign	13.84
18,250	Bessemer Ingots—Domestic	12.76
27,805	O.H. Ingots—Domestic	13.15
44,419	Pig Iron—Domestic	11.73
450	20% Spiegel—Domestic	22.54
32,125	Scrap—Domestic	11.72
190	Silico Spiegel—Domestic	32.41
210,586	Standard Rails—1sts—Domestic	17.56
22,938	do 1sts—Canadian	16.30
43,268	do 1sts—Foreign	15.91
16,904	do 2nds—Domestic	16.07
92	do 2nds—Canadian	15.48
16,663	Light Rails—Domestic	16.97
7,044	Light Rails—Foreign	17.06
19,049	Splice Bars—Domestic	21.17
681	Splice Bars—Canadian	21.89
3,416	Splice Bars—Foreign	21.52
880,235	TOTAL GROSS TONS.	
373,739	TOTAL NET TONS.	
1,253,974	GRAND TOTAL.	

MR. WIGHTMAN: "The usual weekly report closed with the business in hand September 29th, after which time some sales of Rails were made. We go into October with 265,000 tons, instead of, as in the report, 225,000. Everything looks encouraging."

MR. FRICK: "In this connection, especially in view of the Rail situation, a statement, furnished by the Auditor to the President, will be of interest."

The statement was read, as follows:—

"1st October, 1898.

"Here are some figures on Rails that we find of interest, and take upon ourselves to send to you.

From Swank's Report, received last week:—

RAIL PRODUCTION YEAR 1897.

Under 45 pounds to the yard....	88,896 tons	5.40%
45 pounds and under 85 pounds.	1,223,435 "	74.24
85 pounds and upwards.....	335,561 "	20.36
Total, Heavy and Light....	1,647,892 tons	100.00%

States Producing:—

Pennsylvania,	62%
Illinois,	26%
Other States,	12%

Pennsylvania by Districts:—

Eastern Pennsylvania	48,423 tons	5%
Central Pennsylvania	287,950 "	28
Allegheny County	538,798 "	52
Western Pennsylvania	152,905 "	15
Total Pennsylvania	1,028,076 tons	100%

Allegheny County tonnage represents 33% of Total tonnage.

"Poor's Manual reports New Railroad constructed, 1897, 2,188 miles, which, at 125 tons per mile of single track (modern construction would take 80 pound Rail), gives us tonnage used in Construction of, say, 273,500 tons.

Total Rail production, as shown above,	1,647,892 tons.
Deduct:	
Tonnage under 45 lbs. per yard, not used on listed Steam Roads,	88,896 "
Total Rails, 45 lbs. and over,	1,558,996 tons.
Tonnage used United States, building New Railroad estimated at,	273,500 "
Balance,	1,285,496 tons.
Deduct:	
Export, including Canada, Mexico and other Foreign countries, Carnegie's export equals 16% of total shipments of Heavy Rails 1897. We don't know that other shippers' percentage run so high. Export figures not yet published, we are informed. We will put Export on basis of 10% of tonnage Heavy Rails, or of 1,558,996 tons as above,	155,900 tons.
And we have a balance of	1,129,596 tons.

which tonnage was used for Renewals and Constructive development in building of second tracks and sidings, placing new Rails on first tracks, old Rails on second tracks and sidings. This last tonnage is equal to 6% of Total tonnage of Rails in first track of Railroads in United States. We assumed average weight of Rails in tracks 60 pounds per yard or 100 tons per mile of single track, and took operating Railroad mileage at 178,549 miles.

"Rails is a good business. We think our best. It's the surest."

Carnegie Rail Shipments, 45 pounds per yard and upwards.

	1897.	%	1898 Jan.-Aug.	%
Domestic,	420,731 tons,	83.40	288,008 tons,	80.86
Canada,	41,287 "	8.19	55,348 "	15.54
Mexico,	10,343 "	2.05	438 "	.12
Foreign,	32,083 "	6.36	12,391 "	3.48
Total,	504,444 tons,	100.00	356,185 tons,	100.00
Average per month,	42,037 tons,		44,523 tons.	
Profit per ton 8 mos., 1897,	.94			
Profit per ton 8 mos., 1898,	2.19			

"We more than doubled our Profits 1898 as against 1897.
We have a gain of 225%, 1898, over 1897.

Tonnage 8 mos., 1897:	Edgar Thomson,.....	272,673 tons.
	Duquesne,.....	35,698 "
	Total 1897,.....	308,371 tons.
Tonnage 8 mos., 1898:	Edgar Thomson only	356,552 tons.
	Duquesne made none.	

Again in tonnage of about 18%, 1898, over 1897. Good.

"Another point of interest in connection with Rails:

Edgar Thomson:
Bessemer Iron:

8 mos., 1897,	tonnage	585,141 tons;	Profit per ton,	.44
8 " 1898,	"	548,939 "	" " "	.72

Edgar Thomson:
Ferro Manganese:

8 mos., 1897,	tonnage	28,498 tons;	Profit per ton,	2.86
8 " 1898,	"	26,612 "	" " "	7.28

Spiegel-eisen:

8 mos., 1897,	tonnage	24,346 tons;	Profit per ton,	2.86
8 mos., 1898,	tonnage,	13,093 "	" " "	5.67

"Edgar Thomson did not make all of our Spiegel and Ferro. Lucy made some. The figures are given to indicate increase in Profits per ton of Products."

MR. MORRISON: "Mr. Corey has not yet reported on the Slag Machine for Carrie. He is still looking into it."

On motion adjourned.

F. T. F. LOVEJOY,
Secretary.

Approved at Meeting held,
10 Oct., 1898.
H. C. FRICK,
Chairman Board of Managers.

Copy to
A. C., New York;
H. P., Jr., New York;
October 17, 1898.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, October 10, 1898, there were present MM. FRICK (Chairman), SCHWAB, SINGER, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MM. GEORGE LAUDER, THOMAS MORRISON and JAMES GAYLEY. (MR. CURRY in Minnesota.)

* * *

The following letter from Andrew Carnegie, to the President, under date of September 30th, was read:

"Industrial cable in Press 'Steel Manufacturers together including ourselves arranging Rail prices.' Have wired you that of course no agreement is to be made of this kind without consultation. This was unnecessary because we have often said that when the subject came up we would consult. When in Cannes you said it seemed that our best

policy would be to put down prices, making them equal, Pittsburg, Chicago and Seaboard, we paying the freight to competitive points, but for the present only you had thought it wise to arrange with Illinois Steel Company temporarily, fearing that many of our customers would decline to pay the rates they had agreed to, if prices went lower. This might have been prudent but the last thing we should do is to give the Federal Company a successful start. The Press said that prices were to be $18.00 Pittsburg and $20.00 Chicago. This would be madness, the idea cannot be entertained of giving our competitor $2.00 per ton more for his product than we get, nor is there the slightest necessity for our doing so.

"It does not seem to me that there would be a great demand for Rails next year, therefore that we should not restrict ourselves either as to amounts or prices, certainly under no circumstances should we permit our competitor to net more for his Rails than we do. There is plenty of time to consult after MM. Lauder, Phipps and myself arrive, but if the Federal will not wait until then, all you have to do is to say: 'Well, gentlemen, our policy is to make a uniform price, we paying the freight to competive points, and our price is $16.00 Chicago, Seaboard and Pittsburg, if you take orders before we can get our Partners together.' As a permanent effect I am clear that it would be better for us if rails were put at $16.00 Chicago, Seaboard and Pittsburg, not more than $16.00 certainly, and perhaps $15.00.

"Pray remember that you have to consider the advent of the Federal Steel Company and the nonsensical hopes built upon it. Much depends upon the start it makes. If they can arrange with you to net $2.00 more for their Rails than you do, then they will be encouraged to extend operations and will more easily obtain the backing they require. If, on the other hand, they make a bad start, the big men who have small interests with them and who do not intend to be bothered very much with the business will withhold confidence.

"Remember you are not playing now for so much per ton of Rails for next year, you are looking, or at least you should be looking far beyond that; at all events I must ask

you to give me an opportunity to lay my views before the Board before anything is done. If you ask Chicago to give you an opportunity for this and Chicago declines, so much the better, put down the price to $16.00 Chicago at once, and tell the Pennsylvania Railroad and other home concerns that you do this for their benefit as well as for ourselves. They will not object to pay the same price as Chicago pays for Rails. If they do, no matter, they will soon see their error, but I am sure that Mr. Thomson will act promptly in our favor for the Pennsylvania Railroad; others will follow.

"Lauder sails tomorrow, Mr. Phipps and myself on the 12th. Shall see you soon thereafter."

MR. SCHWAB: "Mr. Carnegie's information was from newspaper articles, which were not correct. The only basis upon which we have talked has been one equal price at each point, Chicago, Pittsburg and Seaboard."

MR. FRICK: "I hardly agree with Mr. Carnegie's views as to the demand for Rails next year. There will, perhaps, be no very large single demand, but there will be small extensions by a great many Roads, aggregating considerable tonnage.

"As the members of the Board are aware, however, the President succeeded in getting the Rail matter held over until about the first of November, so that no action is necessary today."

* * *

At a meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, October 18, 1898, there were present MM. FRICK (Chairman), SINGER, CURRY, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MR. THOMAS MORRISON. (MR. LAUDER in Philadelphia; MR. SCHWAB in New York City.)

* * *

A memorandum from Mr. Carnegie (marked by him "Not for Minutes,") referring to the comparative wisdom of investments near Chicago in present lines of product, with investments at home for finishing new products, was read, and had the careful attention of the Board.

MR. FRICK: "I do not think any one on the Board has thought of locating in new places without the unanimous consent of the Shareholders. Our discussion has been as to the advisability of certain preliminary work at Chicago, with a view to whipping Illinois Steel Co. into line, and better controlling the markets. As this matter is being held over until MM. Carnegie and Phipps are present, no action is necessary today.

MR. FRICK: "The Stockholders' Meeting of the Pittsburg & Western Railway Co. was held yesterday. I told H. W. Oliver we expected him to keep an eye on our interest in this Road, and that if any other Road acquired the Pittsburg & Western and did not protect our interest as Stockholders, it need not expect much freight business from us.

"Without the formality of calling a Board Meeting, but with the assent of MM. Schwab, Curry, Peacock, Phipps, Wightman, Lovejoy and Clemson, a Proxy was executed in favor of H. W. Oliver, for voting our Preferred and Common Stock at the Meeting of the Pittsburg & Western Stockholders."

On motion, (Curry and Phipps,) the execution of the Proxy, as reported by the Chairman, was approved, ratified and confirmed; the vote being unanimous.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, November 1, 1898, there were present MM. PEACOCK (First Vice Presi-

dent), SINGER, CURRY, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary), also MM. HENRY PHIPPS, JR., GEORGE LAUDER and THOMAS MORRISON.

* * *

Mr. Wightman, as General Sales Agent, submitted the following reports:

* * *

"The summary of important sales for month ending October 31st, 1898, is as follows:

Net Tons.	Material.	Average Price Per Lb.	Average Price Net Ton.
13,675	Struc'l & Ship—Domestic	1.172c.	$23.45
100	Struc'l & Ship—Canadian	1.00	20.00
2,994	Struc'l & Ship—Foreign	.944	18.88
19,482	Plates—Domestic	1.176	23.53
150	Plates—Canadian	1.10	22.00
1,383	Plates—Foreign	1.097	21.94
1,483	Nickel Steel Plates—Domestic	3.561	71.22
449	Bars—Domestic	.981	19.63
2,912	Bars—Foreign	.927	18.55
1,143	O. H. Steel Axles—Domestic	1.775	35.50

43,771=Total net tons.

Gross Tons.	Material.	Average Price Gross Ton.
50	Ferro Manganese—Domestic	$47.30
53,370	Billets & Slabs—Domestic	15.69
8,450	Billets & Slabs—Foreign	14.25
18,700	Sheet Bars—Domestic	15.95
10,325	Pig Iron—Domestic	12.52
50	20% Spiegel—Domestic	22.60
11,850	Scrap—Domestic	12.47
21,272	Standard Rails—1sts—Domestic	16.54
15,600	Standard Rails—1sts—Canadian	16.34

25,000	Standard Rails—1sts—Foreign	15.60
3,588	Standard Rails—2nds—Domestic	14.18
750	Standard Rails—2nds—Canadian	15.46
586	Light Rails—Domestic	17.26
875	Light Rails—Foreign	16.45
1,682	Splice Bars—Domestic	21.44
1,185	Splice Bars—Canadian	19.60
1,912	Splice Bars—Foreign	20.83

175,245=Total gross tons.
43,771=Total net tons.

219,016=Grand total.

* * *

MR. PEACOCK: "It has been decided to send Mr. S. A. Benner to open a Sales Office and represent us in Mexico. We believe Mexico to be a good field for Rails and Structural Material. Mr. Benner is well qualified to represent the Company, having been in the Sales Department for a number of years, and being thoroughly familiar with our Products, Prices, etc.

"This has had the individual approval of the members of the Board, but it has not yet been placed on record in the Minutes."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, November 8, 1898, there were present MM. FRICK (Chairman), SINGER, CURRY, SCHWAB, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MM. ANDREW CARNEGIE, HENRY PHIPPS, JR., GEORGE LAUDER and THOMAS MORRISON.

The Minutes of the Meeting of the Board of Managers held November 1, 1898, were read, and, on motion, approved.

MR. SCHWAB: "The Steel Rail matter is being gotten into shape, and I expect to be able to report to the Board at the next Meeting what has been decided upon by the various representatives of the Companies, subject to the action of their respective Boards."

* * *

MR. CARNEGIE: "The New York & Cleveland Gas Coal Company has a large tract of Monongahela River Coal which it is suggested we buy, mine the coal, and ship via river to Duquesne, Edgar Thomson and Homestead, screen the coal there, taking the slack as fuel for steam producing and shipping the nut and lump coal over the Bessemer Line to the Lakes.

"This is a broad outline of the plan suggested the benefits being that we would get cheap fuel, give the Bessemer Line a return freight to the Lakes, and make some profit on the shipments. The New York & Cleveland Gas Coal Company offers to take in part payment its Stock held by Mrs. Lucy C. Carnegie, John Walker and myself and others of The Carnegie Steel Company Partners. There is an objection to our going into the coal mining business, but that might be done by Contract.

"This is submitted for investigation as a way in which to help out the Bessemer Line with return freight, incidentally helping ourselves. The original route of the Pittsburg, Bessemer & Lake Erie lay much nearer the New York & Cleveland mines than the route as finally located, rendering it impossible, without the construction of a branch line, to take New York & Cleveland Gas Coal Company shipments."

Some discussion followed, and, by general consent, MM. D. M. Clemson, James Gayley and Thomas Lynch were appointed by the Chairman as a Committee to investigate this Coal and other Coal Lands, especially as to its value, as to what would be to the interest of The Carnegie Steel Company, Limited, and what, in their opinion, would be the best method of obtaining the necessary supply of Coal to furnish back-loading for the Bessemer Line.

MR. CARNEGIE, (On the subject of Non-Bessemer Ores:)

"The British Manufacturers are much exercised about their supply of Ore, and are investigating where to meet their future requirements. Ten years will exhaust the Bilbao Ore, and it is even now depreciating in quality. They are looking at Swedish Ores."

MR. LAUDER: "Swedish Ores are poor in quality and irregular in Analyses."

MR. CARNEGIE: "And the night is six months long."

"We will make a big mistake if we do not get a supply of Ores far beyond our requirements, particularly Non-Bessemer Ores. Buy or lease as may be best."

MR. CURRY: (In reply to the Chairman:)

"Our Ore properties are very promising, and we are much better supplied than the Federal Steel Company. We have probably ten times the quantity."

MR. CARNEGIE: "It is Non-Bessemer Ore you want especially. Basic Steel costs $1.00 per ton less than Bessemer."

MR. SCHWAB: "We can buy Non-Bessemer Ores—Vermillion, for instance—cheaper now than if we used more."

MR. CARNEGIE: "It is not necessary to publish to the world what you are doing; just get it, and hold on to it."

MR. CURRY: "Non-Bessemer Ores cost less because the royalty is low, and the location gives cheap freight."

MR. CARNEGIE: "The best place to put money is in Ore Supply".

MR. CURRY: "The Neguanee vicinity is the most attractive Non-Bessemer Ore district I know of. Reports as to this district have already been given to the Board, and appear of record in the Minutes."

* * *

At a meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, November 14, 1898, there were present MM. FRICK (Chairman), CURRY, SINGER, SCHWAB, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MM. ANDREW CARNEGIE, HENRY PHIPPS, JR., GEORGE LAUDER and THOMAS MORRISON.

* * *

MR. SCHWAB: "Pursuant to the action of the Board in leaving in my hands the preliminary negotiations leading up to the formation of an Association for the proper controlling and regulating the Steel Rail business, I have had several interviews with the Presidents of the other Companies making Rails, and have had Mr. Moreland and Judge Reed in New York drawing up the formal papers. These are now submitted, as follows:

Charter of Empire Rail Company.
Agreement between Carnegie and Empire.
Associated Companies with Lorain.
By-Laws and Organization of Empire.

Carnegie, et al, with Voting Trust, Trustee to be nominated at Organization of Empire, and hold and vote Stock.

Proposed Resolution for Boards of respective Companies to pass and present, approved, to Empire on date of Organization, which is set for Tuesday, 15th November.

"These papers cover all of the details that have been considered at our Meetings in New York, and have been approved by all the Presidents of the Companies, subject to the action of their respective Boards."

A general discussion followed, lasting nearly two hours, during which every person present expressed his opinion. Inasmuch as the three Senior Partners and every member of the Board were present, the details of the discussion are not

placed upon record in these Minutes; the several opinions, however, being as follows:

All, while regretting that such is the case, were of the opinion that the present condition of the Rail business requires some form of association between and concert of action among the Rail Manufacturers, in order that the price of Rails be not cut to an unremunerative figure, taking with it, to some extent, the prices of other rolled steel products.

A majority in number, including the Chairman and President, were of the opinion that the plan submitted was the best that would be agreed to by all the Rail Makers, that unless all joined the Agreement would not be fully operative, that any form of Agreement that did not properly punish a breach of faith would be evaded, that while we do not get as much under the proposed Agreement as we should, yet Rails would be more profitable with than without it, and that we were to a considerable extent, by reason of the active part taken by our President in the negotiations (consulting meanwhile with the principal Partners,) committed to the approval of the plan of Organization.

MM. Andrew Carnegie and Henry Phipps, Jr., together with a minority of the Board, were of the opinion that the objectionable features in the plan proposed more than counter-balanced the probably financial gain, the items especially disapproved being:

The Organization, under the laws of New Jersey, of a Corporation which would conduct all the buying and selling of Rails during five years. The By-laws of this Corporation being recorded in New Jersey, they would be open to the public. It would be a "Trust," and, as such would be attacked under the various State laws prohibiting Trusts and discussed by the news—and trade papers. Much odium would attach to the members of this Corporation, and, if the price of Rails were advanced, the almost universal enmity of the Railroads, purchasers of Rails, would be incurred.

The placing of the Stock in a Voting Trust, to hold for five years, under which each Shareholding Company, regardless of the amount of Stock held by it, would be entitled to

but one vote, or one Director, in the Empire Rail Company; the Shares of Stock of $100.00 each being allotted as follows:

The Carnegie Steel Company, Limited...	2950	Shares;
The Federal Steel Company.....	2950	"
The Lackawanna Iron & Steel Company.	1400	"
The Cambria Iron Company.....	1100	"
Pennsylvania Steel Company.....	900	"
The Colorado Fuel & Iron Company.....	600	"
The Maryland Steel Company.....	100	"
Total	10000	Shares.

Thus giving to the Cambria, Pennsylvania, Maryland and Colorado Companies, respectively, an equal voice in the government of the Empire Rail Company with each of the two largest Stockholders, and enabling 27% of the Stock to form a majority in the Board, and overrule 73%.

The payment to the Maryland Steel Company of $200,000.00 per annum for five years, to the Pennsylvania Steel Company of $50,000.00 per annum during five years, and to a President of $50,000. per annum.

The Agreement by The Carnegie Steel Company, Limited, that during five years it will not make any Girder Rails, and that it will not, during five years, make for, or sell to, any customer other than the Empire Rail Company Steel Rails weighing 50 lbs. per yard or upward, for use on the North American Continent, restricting its production of Rails, other than for export, to the 29 1/2% of the total sales of Rails for use in North America to be allotted by the Empire Rail Company.

To which it was replied that the anti-trust agitation would be but temporary; that Railroad Presidents were willing to pay a somewhat higher price for rails if they could feel that all purchasers were on the same footing, all paying the same price; and that the other provisions as to allotments, representation, etc., were insisted upon by the smaller Mills, and although not entirely satisfactory, were small concessions made to receive much greater advantages.

The discussion having closed, the following Resolution, offered by Mr. Carnegie, was, on motion, (Curry and Wightman,) adopted; the vote being unanimous and all present concurring:

"In view of the fact that the Senior Partners in The Carnegie Steel Company, Limited, representing two-thirds of its Stock, are of the opinion that it is not for the best interests of the Association that it should take part in the proposed Empire Rail Company organization; Now, therefore, be it

"RESOLVED: That the Board of Managers declines to go forward with the negotiations or to further consider the matter, on its present basis."

On motion, adjourned.

F. T. F. LOVEJOY,
Secretary.

Approved at Meeting held,
22 Nov., 1898,
H. C. FRICK,
Chairman Board of Managers.

Copy to
A. C., New York;
H. P., Jr., Pittsburg;
19 November, 1898.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, November 15, 1898, there were present MM. FRICK (Chairman), CURRY, SINGER, SCHWAB, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and

LOVEJOY (Secretary); also MM. ANDREW CARNEGIE, HENRY PHIPPS, JR., GEORGE LAUDER, JAMES GAYLEY, THOMAS MORRISON and A. M. MORLAND.

The advisability of our engaging in the manufacture of Steel Cars, (a question which has been before the Board a number of times during the past three months, action being deferred until MM. Andrew Carnegie and Henry Phipps, Jr., were present), was discussed; the suggested methods, should we decide to go into the business, being as follows:—

By MR. SCHWAB:

That we buy an interest in the Schoen Pressed Steel Company, the Capital to be increased, and a new and larger Plant to be constructed.

By MR. FRICK:

That a new Company be organized by us, and that a small interest be carried for Mr. Schoen, in order to avail ourselves of his experience in building and selling cars. The two Companies to work in harmony, and divide the business in proportion to their capacities.

By MR. CARNEGIE:

That The Carnegie Steel Company, Limited, erect a Car building plant, an understanding to be had with the Schoen Pressed Steel Company that so long as it purchased Steel from us, we would work in harmony and divide the Car business.

After a general discussion, and the reading of some portions of a report on the condition of the business of the Schoen Pressed Steel Company made by Mr. Moreland, the first suggestion was not approved, the financial conditions of the Schoen Company being unsatisfactory.

The second suggestion was not approved, the general opinion being that Mr. Schoen would expect an interest in the new Company larger than the value to us of his connection would warrant.

On motion, (Peacock and Phipps,) it was recorded as the sense of the Board that this Association should engage in the manufacture of Steel Cars, the President being requested to investigate and report as to the best location for such Works, with an estimate of its cost; the vote being unanimous.

Mr. Schwab: "In the matter of Improvements for 1899, and my report to the Board November 8th:—

"After consultation with MM. Carnegie, Phipps, Frick, Lauder and others, I have modified my views as to what improvements should be first undertaken. I would now recommend that we build the Axle Plant at Lower Union Mills, and the new Mill for Light Rails at Edgar Thomson Steel Works."

On motion, (Peacock and Curry,) the recommendation of the President was adopted as the sense of the Board, the President being further requested to proceed with the plans and an estimate of the cost, in order that formal action may be taken and an appropriation authorized; the vote being unanimous.

Mr. Schwab: "I will submit careful estimates of the Costs of these improvements, but would now place the outside cost at $2,000,000.00, including

For Plate Mill & Car Works.....	$1,500,000.00;
Axle Shop.....	150,000.00;
Rail Mill.....	150,000.00;
Contingencies	200,000.00."

* * *

Mr. Carnegie: "Since our Meeting yesterday, I have given the Rail question and the proposed 'Empire' organization much thought, and am now more than ever convinced that our decision was right. We should have nothing to do with a formal trust of that kind.

"Our President thinks, however, he is so far committed to the project that he cannot honorably withdraw. I do not

take that view of the matter, and think the other Presidents do not so regard our or their position, especially as each paper submitted bears the endorsement, signed by each representative:—

"The above form is approved, subject to the action of the several Boards of Directors, thereon. I am sorry that in my discussion with the President of various details as they came up during the preliminary negotiations, my not having condemned the project, and the fact that I suggested some changes should have led MM. Schwab and Frick to think that I favored it. I did look upon it with some favor as presented in parts, but when it was submitted as a whole in formal shape, I soon formed the opinion I expressed yesterday. I respect Mr. Schwab's feeling in this matter, however, and think it is therefore due to him and to Mr. Frick that I should personally explain to Mr. Porter, of the Federal Steel Company, our apparent change of views, giving him my reasons for opposing the plan—reasons also equally forcible to him and to his Company—and saying, further, that we believe an alliance can be effected between The Carnegie Steel Company, Limited, and the Federal Steel Company, mutually advantageous, much more so than the Empire organization. This I will do tomorrow in New York."

Some discussion followed as to the probable price of Rails for next year, and there being no further business, the Meeting, on motion, adjourned.

F. T. F. LOVEJOY,
Secretary.

Approved at Meeting held, 22 Nov. 1898.
H. C. FRICK,
Chairman Board of Managers.

Copy to
A. C., New York;
H. P., Jr., Pittsburg;

19 November, 1898.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, November 22, 1898, there were present MM. FRICK (Chairman), CURRY, SINGER, SCHWAB, PEACOCK, PHIPPS, WIGHTMAN and LOVEJOY (Secretary); also MM. GEORGE LAUDER and THOMAS MORRISON. (MR. CLEMSON in West Virginia on Natural Gas business.)

The Minutes of the Meetings of the Board of Managers held November 8, 14 and 15, 1898, were read, and, on motion, approved.

MR. SCHWAB: "The arrangement suggested by Mr. Carnegie between the Federal Steel Company and ourselves has been made, and is now in working shape, excepting as to a few details in regard to selling. These Mr. Peacock will take up tomorrow. The Cambria Iron Company and the Colorado Fuel & Iron Company—these being factors in the West—will work with us."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M. Tuesday, November 29, 1898, there were present MM. SCHWAB (President), SINGER, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MM. GEORGE LAUDER, THOMAS MORRISON and JAMES GAYLEY. (MR. FRICK in New York; MR. CURRY in California.)

* * *

MR. PEACOCK: "At a Meeting in New York last Wednesday, the Rail Making Companies came to an understanding,

excepting as to a few details to be discussed in New York tomorrow. We estimate that the sales of Rails during the past week, made by the two Companies, are about as follows:—

The Carnegie Steel Company:—

Sales,	128,500 tons.	
Options,	40,000 "	168,500 tons.

Illinois Steel Company:—

Sales,	196,800 tons.	
Options,	25,000 "	221,800 "
	Total,	390,300 tons.

"The tonnage under "Options" is legitimate business, being the difference between the minimum and maximum quantities, where customers have not yet determined the exact tonnage required. Sales will average $17.00 to $18.00."

MR. SCHWAB: "We have a statement from the Accounting Department, showing 230,325 tons of old Rail orders on our books, which will net us an average of $17.01."

MR. GAYLEY: "We have secured options on 260 acres in the Iron River district, Michigan. These options are all in the Iron bearing territory and include several mines. There are 160 acres yet to be secured for which negotiations are not being carried on.

"Among the unsecured properties is the Dober mine, which produced 5,000 tons this year, and contains a good deposit of ore. Our option for a lease extends to May 31, 1899, and does not require the payment of any Bonus.

"The minimum mining requirements on the secured property amounts to 70,000 tons per year, and it is expected that the unsecured properties will add 20,000 tons more, but I think we can get the minimum reduced, somewhat. The royalty per ton will not exceed 10 cents.

"The process of unwatering the mines should begin early in December. In the Iron River mine there are 300,000 tons ore blocked out which insures a good shipment for this year.

"Mr. Corrigan, of Corrigan, McKinney & Company, Cleveland, advised me yesterday by telephone that he would forward today an option on the Buffalo group of the Queen Iron Mining Company, at Negaunee, Michigan. This includes the mines designated as Buffalo, South Buffalo, Queen, Prince of Wales and Blue. By Mr. Clemson's report in 1897, it is estimated there are fully 2,000,000 tons of ore developed with as much more not yet opened up, and there is an opportunity to secure adjoining territory which is exceedingly promising. This property, with the Iron River, comprise the two great deposits of non-Bessemer Ores in Michigan, which can be mined cheaply, and both, being low in Manganese, make them desirable for use in Basic Iron.

"Mr. Oliver and I are still working on these options. I think it wise for us to cover all of that district we can get. Ore Mines, under present conditions, are better Assets than Works are, and I think we will use 400,000 tons of non-Bessemer Ore next year.

MR. CLEMSON: "The Negaunee is the largest non-Bessemer Ore property not taken up by the Federal Steel Company; and if we do not take it, I think they will."

MR. SCHWAB: "This is a report as to progress made, and does not require any action today."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, December 13, 1898, there were present: MM. FRICK (Chairman), SINGER, SCHWAB, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also MM. GEORGE LAUDER, THOMAS MORRISON and JAMES GAYLEY. (Mr. Curry in Pasadena.)

* * *

MR. PEACOCK: "Everything is in pretty good shape, and we have been selling more Rails. We estimate that sales of Standard Rails since November 18th are as follows:

	Sales.	Options.	Totals.
Carnegie	277,182	52,500	329,682
Illinois	309,713	37,586	347,299
Cambria	23,110	3,500	26,610
Colorado	17,500	.....	17,500
	627,505	93,586	721,091

"The Pennsylvania Railroad and Great Northern Railway orders are not included."

MR. FRICK: "How much Rail tonnage does that make for us altogether?"

MR. SCHWAB: "We will go into next year with 600,000 tons of Rails to make."

MR. LAUDER: "I had no idea we were selling any such quantity. That leaves us unable to take any other orders or any foreign business."

MR. SCHWAB: "It leaves us pretty well sold up, but we had nearly 700,000 tons sold in February, 1897. I believe, with the demand, if we had gone ahead with the Organization, we could have easily had $20.00 a ton; as it is, our sales have been made from One to Two Dollars per ton higher than some of our people thought we should go in order to get our share of the business."

MR. FRICK: "In talking with Frank Thomson over the telephone yesterday, he asked what price we expected for the Pennsylvania order. I told him I thought they should pay the same as the Baltimore & Ohio—$18.00—but that the Pennsylvania Railroad had always made the price for the Mills on its line, and we would be satisfied if that were done this year."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie, Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, December 20, 1898, there were present: MM. SCHWAB (President), SINGER, PEACOCK, PHIPPS, CLEMSON, WIGHTMAN and LOVEJOY (Secretary); also Mr. THOMAS MORRISON. (MM. FRICK, HENRY PHIPPS, JR., and LAUDER in New York; MR. CURRY in Pasadena; MR. GAYLEY at home ill).

* * *

MR. PEACOCK: "We estimate that Rail Sales from November 18th to December 20th, 1898, are as follows:

	Sold.	Options.	Total Minimum.
Carnegie	287,329	47,500	334,829
Illinois	323,473	37,586	361,059
Cambria	24,835	3,500	28,335
Colorado	17,500	. . . . .	17,500
	653,137	88,586	741,723

* * *

MR. SCHWAB: "The Bridge Companies of the United States are attempting to consolidate into one Company, and ask if we will sell the Keystone Bridge Works and our Structural Fitting Shops at Homestead and Upper Mills. About 95% of the Bridge making capacity of the country excluding ourselves has signified its willingness to go in, and I think they will be able to carry out the arrangement, but it now seems to hinge on our attitude. Our sale of the Fitting Shops means only that we discontinue that branch of our business, as the Shops are so connected with our Works that they could not be sold separately. The purchase of the Bridge Works would be on condition that we agree not to go into the Bridge

or Structural Fitting business, selling plain material only. This Agreement on our part to be conditioned upon our receiving a certain satisfactory percentage of the total orders for material required by the Consolidated Companies. The movement started with the Bridge Companies, but is intended to take in also all the Structural business. This would simplify our business very much; selling plain material is what we have tried to do for many years past."

* * *

MR. SCHWAB: "I am advised that the Illinois Steel Company is taking steps to make very radical changes in the South Chicago Works. They will cast on cars, and put in an intermediate train of rolls so as to bloom in seven passes. They estimate they can make 70,000 tons of Rails per month. They will also improve their open Hearth Department and their Plate Mill. It is said the South Works never showed such activity as now.

"There are reports also that the Ohio Steel Company is preparing to make Rails, but this report comes in a round about way, and may have started before the price of Rails was fixed so low."

There being no further business, the Meeting, on motion, adjourned.

F. T. F. LOVEJOY,
Secretary.

Approved at Meeting held, 27 Dec., 1898.
H. C. FRICK,
Chairman Board of Managers.

Copy to
A. C., New York;
H. P., Jr., Washington, D. C.;
H. M. C., Pasadena;

21 December, 1898.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, December 27th, 1898, there were present: MM. FRICK (Chairman), SINGER, SCHWAB, PEACOCK, PHIPPS, WIGHTMAN and LOVEJOY (Secretary); also MM. HENRY PHIPPS, JR., GEORGE LAUDER, JAMES GAYLEY and THOMAS MORRISON. (MR. CURRY in Pasadena; MR. CLEMSON in Tyrone.)

The Minutes of the Meeting of the Board of Managers held December 20, 1898, were read, and, on motion, approved.

Two letters from Mr. Andrew Carnegie, dated December 22nd, to the President, were read, and had the attention of the Board, one of them being directed placed upon the Minutes, as follows:

"Surely my views about going into Trusts are pretty well known.

"Our policy should be to make finished articles, Bridges among them. We should make the best Bridge Shop in the United States as soon as you get time to build it.

"We want to sell Finished Cars as soon as you can do it. We shall want to make Wire, and I think Nails, as soon as we can. I suggested also Boilers, and hope that some of the members of the Board will find some other special articles.

"The concern that sells articles finished will be able to run all weathers and make some money, while others are half idle and losing money.

"The Carnegie Steel Company should never, in my opinion, enter any Trust. No objection to having an understanding when good for us, as you can have with Bridge and Structural people; they combined, you 'outside.' It will go better attending to its own business in its own way, its Officers de-

voting themselves, as they have so successfully done hitherto to watching operations at home, keeping their eyes steadily fixed on these, and their minds also.

"We hope our competitors will combine, for an independent concern always has the "Trust" at its mercy.

"There is no objection to Mr. Schoen making us a proposition, but we are the party to tell him just what we will do for him, not to leave him out in the cold. Schoen needn't trouble us, alliance or merger not vital for us.

"Have talked to Mr. Lauder about necessary improvements. I believe that you should put additional Blast Furnace Engines under contract immediately, for either Morrison shall want them to increase product, or we shall have to build new furnaces.

"The Minutes of the Board are not here yet. Somehow Mr. Lovejoy is always several days behind with them. He promised to do better, but does not. I think they should be mailed next day, or even the same afternoon that the Meeting is held.

"Prospects never were so bright. I don't see how a boom can be prevented, and I believe you should be very stiff upon prices.

"Please present to all partners my cordial congratulation upon the prosperity of our concern, a concern which may now be said to have made a good start, the result of exceptionally able management by the most wonderful organization of young geniuses the world has to show, or ever has to show. I mean this, every word of it."

Mr. Henry Phipps, Jr.: "Referring to the consolidation of the Structural business; it certainly is as necessary for us to fit our Beams as it is to shear our Plates, and we would be doing wrong to give up either. We should never let anybody stand between us and our customers."

Mr. Schwab: "This case is somewhat different. There never will be a time when we can sell direct to all our customers, especially Structural material. At present we fit but a very small part of our business."

MR. FRICK: "As I understand Mr. Phipps' position, it is: If this combination be formed and it stands between us and the users of Structural material, it may put the price of Beams so high as to prevent their use, and so operate much to our disadvantage."

MR. LAUDER: "Is it intended to tie up so that we may sell only to this Pool?"

MR. SCHWAB: "To a certain extent, because it is expected every Bridge Company and every Structural Fitting Shop will be included in the combination. They buy nearly all of the Structural material we sell. They ask us, however, not to sell fitted work to the general contractor, but to send the latter to the Structural people."

* * *

MR. SCHWAB: "I have had considerable correspondence recently with Mr. Carnegie about improvements. The only improvement we are pushing at present is the Car Works together with the Plate Mill. There is nothing else I know of which the Board desires should be hurried."

* * *

MR. FRICK: "Several weeks ago, H. W. Oliver and I called on Mr. Carnegie in New York, when Mr. Oliver brought up the question of a change in the Contract made between this Association and himself relative to our respective interests in the Oliver Iron Mining Company.

"All that I understood he desired was, that his Company should take his place in the Contract. To this Mr. Carnegie assented.

"On Mr. Oliver's return home, he drew up a new Contract embodying what he considered right under the circumstances, and brought it in asking that it be executed. I told him we would consider it, and also ask Mr. Carnegie's views, as it covered some points, which, so far as I know, were not discussed with Mr. Carnegie by Mr. Oliver. With this he seemed satisfied; but yesterday I received from him two let-

ters dated at New York, December 24th, in which he urges the execution of the Contracts as written."

The letters were read, as follows:

"New York, December 24, 1898.

"My dear Mr. F.:

My work does not go fast enought to suit me with our friends at No. 26 Broadway. I have definitely settled with them, however, that we shall not be compelled during the ensuing year to mine low grade ore from the Messaba Mountain and the Lone Jack. This is a concession never heretofore granted as they have been in the past as hard as iron in holding us up to our 600,000 minimum, only last year giving up to the extent of reducing it to four by us purchasing 200,000 tons from their underground mines.

"I have made an agreement with them that we would be allowed to take the Messaba Mountain and Lone Jack minimum for next year from the Mountain Iron. Of course, if we purchase the Franklin we will take part of the product from that mine, say 1,000,000 from the Mountain Iron and 250,000 tons from the Franklin. This will make a big difference to us on the profits on next year's business.

I cannot bring to a conclusion the amended agreement by which we get a reduction in the royalty on the Messaba Mountain Ores in exchange for giving up the guarantee at Lake Superior Ports. The trouble is that our friends appear to be utterly unable to purchase the fee of the Ohio Mine, and insist on holding off the closing of our contract until they are able to do so. The above fact lead to the favorable (to us) concession of letting the Virginia Mines lie idle for the year and transferring their minimum to the Mountain Iron and possibly the Franklin.

"From information that I consider very reliable, I judge that the Federal Steel Company are making a most determined effort to purchase all the properties belonging to our landlords. I am confirmed in this opinion by the conduct of our friends and their actions during the negotiations I have had with them during the past two weeks. I consider the matter so serious that I deem it my duty to stay right here

on the spot and be in their office every day until I can decide whether or not they are going to sell their properties.

Yours very truly,

HENRY W. OLIVER."

* * *

MR. GAYLEY: "Mr. Corrigan is here today, and has consented to some changes in the option given the Oliver Iron Mining Company on the Non-Bessemer Ore properties at Negaunee. The option as it now stands is, as follows:

Mining Option to the Oliver Iron Mining Company.

We hereby propose to sell to you three mining leases on Mines situated at Negaunee, Mich., described as follows:

Queen Mine, situated as follows,—Sixty rods off the east side of the south east quarter of the southwest quarter of Section 5, containing about thirty acres, town 47, North of Range 26 West, Marquette County, Mich.

Prince of Wales Mine, situated as follows,—Sixty rods off the east side of the north east quarter of the south west quarter of Section 5 being all of said north east quarter of south west quarter, except the west twenty rods thereof, in Township 47 north of Range 26 West, Marquette County, Mich.

Buffalo Mine, situated as follows,—The north west quarter of the south east quarter of Section 5 Township 47, North of Range 26 west, Marquette County, Mich.

In addition we propose to sell you 37,950 shares of the Capital Stock of the Blue Iron Mining Company, the total capitalization of which Company consists of 40,000 shares, at $25.00 par value. This Company is the owner of the lease of the Blue Mine, situated as follows: That portion of the south west quarter of the south west quarter of Section 5, north of main track of C. & N. W. Ry., also that portion of the west twenty rods in width off the south east quarter of the south west quarter of Section 5, North of said railway in Township 47, North of Range 26 West, Marquette County, Mich.

First, this option is to run for forty-five days from the date hereof.

Second, Consideration,—you to pay $250,000.00 to the

Cleveland Cliffs Iron Co. in accordance with contract, a copy of which we submit herewith, $50,000.00 of which should be arranged for on the acceptance of the option and $50,000.00 the second day of April each year, 1899, 1900, 1901, and 1902, with interest at Six per cent., payable semi-annually.

Third, You are to assume certain traffic contracts between the Lake Superior and Ishpeming Railway Company and the Queen and Blue Iron Mining Companies dated April 2nd, 1897, copies of which we also submit herewith.

In addition, you are to deliver to Corrigan, McKinney & Co., on board of cars at the mine or mines $100,000.00 worth of the average grade of Ore produced by these mines. The number of tons is to be determined by whatever the selling price of this Ore or similar Ores may be at the dates of deliveries. The deliveries are to be of equal quantities, $25,000.00 worth in the shipping seasons of 1899, 1900, 1901, and 1902.

Considerable discussion followed; the statement following being in reply to questions from various members.

MR. GAYLEY: "The fee owners will give us a twenty year lease with a minimum of 200,000 tons on a royalty of 15 cents for Standard, and 10 cents on Ore below 59%. They ask, however, that we purchase one-fourth of the fee, paying $125,000.00 therefor. From the Ore in sight the royalty returnable would be about $600,000.00. Under traffic contract between the Lake Superior and Ishpeming Railway Company and the Mining Companies, the rate of freight is 32 cents, which is too high. This applies on a balance of 1,000,000 tons. W. G. Mather is President of the Railway Company, and I think if we were to say to him in effect,—"Having removed a competitor in the Ore market, we believe we are entitled to a reduction in freight rate which is much higher than other Roads in the district charge for corresponding hauls,"—that a reduction could be secured.

"We are safe on that minimum, as we will need of Non-Bessemer Ore 3 400,000 tons per annum. This is the largest deposit of Non-Bessemer Ore that can be advantageously reached from Pittsburgh. It costs to produce about 60 cents per ton.

"The options, one from the Mining Companies, and one

from the Fee owners, run simultaneously, and are good until 15th of January.

"I took up this matter with Mr. Oliver before he left, and he was satisfied. I think, however, that, while the Oliver Iron Mining Company should handle this, yet an arrangement should be made with the Oliver & Snyder Steel Company under which we should take all of the Ore, paying for the sixth that belongs to the Oliver interests either cost of a little above."

MR. FRICK: "This matter has been so much discussed, both in the Board and out, that I think all, including our absent partners, are familiar with the matter. I would, therefore, suggest the following resolution:

"RESOLVED: That this Association as the owners of Five-sixths (5/6) of the Stock of the Oliver Iron Mining Company, assents to the purchase of the Negaunee properties, in accordance with the options set forth;"

Which Resolution was, on motion (Schwab and Peacock), adopted; the vote being unanimous, and the Consulting Partners present assenting.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday January 3, 1899, there were present MM. FRICK (Chairman), SINGER, PHIPPS, CLEMSON and LOVEJOY (Secretary); also MM. GEORGE LAUDER, JAMES GAYLEY, THOMAS MORRISON and H. P. BOPE. (MM. SCHWAB and PEACOCK in New York; MR. CURRY in Pasadena; MR. WIGHTMAN ill.)

The Minutes of December 27th were read. In Mr. Gayley's remarks on page 12 (1542), the balance of the Freight Contract at a rate of 32c should have been recorded as 1,000,000 tons, instead of 100,000 tons.

Correction having been made, the Minutes were, on motion, approved.

Mr. Bope, Assistant General Sales Agent, submitted the following reports:—

ESTIMATED SALES OF STANDARD RAILS SINCE NOVEMBER 18, 1898.

	Sales.	Options. (Minimum)	Totals. (Minimum)
Carnegie	324,596	47,000	371,596
Illinois	331,268	37,086	368,354
Cambria	58,466	—	58,466
Colorado	17,698	—	17,698
	731,938	84,086	816,024

"The statement given below compares our estimated obligations (for the classes of material specified) at the opening of business, Friday, December 23rd and December 29th, 1898:

Material.	Dec. 23rd.	Dec. 29th.	Difference.
Rails	230,485	242,522	Gain 12,037
Billets, Blooms, Sheet Bars, etc.	428,034	427,240	Loss 794
Structural and Ship Material	151,834	146,236	" 5,598
Axles and Bars	36,364	37,103	Gain 739
Plates	36,319	36,011	Loss 308
"Totals	883,036	889,112	Gain 6,076

"The statement which follows compares our estimated obligations (for the classes of material mentioned,) at the opening of business, Friday, December 31, 1897, and December 29th, 1898:—

Material.	1897. Dec. 31st.	1898. Dec. 29th.	Difference
Rails	310,784	242,522	Loss 68,262
Billets, Blooms, Sheet Bars, etc.	144,637	427,240	Gain 282,603
Structural & Ship Mater'l	102,088	146,236	" 44,148
Axles & Bars	13,436	37,103	" 23,667
Plates	29,905	36,011	" 6,106
"Totals	600,850	889,112	Gain 288,262

"All in gross tons, based on our minimum obligations."

* * *

"Summary of important sales from January 1st to December 31st, 1898, inclusive, is as follows:

Net Tons.	Material.	Average Price Per Lb.	Average Price Net Ton.
262,671	Struc'l & Ship—Domestic	1.105c	$22.09
12,975	Struc'l & Ship—Canadian	1.011	20.21
38,371	Struc'l & Ship—Foreign	.913	18.25
121,636	Plates—Domestic	1.121	22.41
3,767	Nickel Steel Plates—Domestic	4.18	83.00
4,492	Plates—Canadian	1.051	21.01
35,689	Plates—Foreign	1.091	21.81
48,918	Bars—Domestic	1.018	20.35
373	Bars—Canadian	.996	19.94
8,516	Bars—Foreign	.956	19.11
19,692	O. H. Steel Axles—Domestic	1.301	26.01
3,570	Ingot Moulds—Domestic	....	14.78
560,670	=Total Net Tons.		

Gross Tons.	Material.	Average Price Gross Ton.
29,625	Ferro Manganese—Domestic	$46.61
300	Ferro Manganese—Foreign	35.91
534,074	Billets & Slabs—Domestic	15.24
1,025	Billets & Slabs—Canadian	14.61

16,560	Billets & Slabs—Foreign	14.73
136,686	Sheet Bars—Domestic	15.68
42,040	Sheet Bars—Foreign	15.17
27,050	Bessemer Ingots—Domestic	12.68
76,305	O. H. Ingots—Domestic	13.12
95,869	Pig Iron—Domestic	11.85
550	Pig Iron—Foreign	7.62
800	20% Spiegel—Domestic	22.19
68,225	Scrap—Domestic	11.60
200	Silico Spiegel—Domestic	33.11
341,520	Stand'd Rails—1sts—Domestic	17.38
51,038	Stand'd Rails—1sts—Canadian	16.30
69,843	Stand'd Rails—1sts—Foreign	15.80
29,921	Stand'd Rails—2nds—Domestic	15.79
842	Stand'd Rails—2nds—Canadian	15.46
19,803	Light Rails—Domestic	17.01
8,877	Light Rails—Foreign	16.97
30,123	Splice Bars—Domestic	21.20
2,816	Splice Bars—Canadian	20.99
5,394	Splice Bars—Foreign	21.29

1,589,486—Total Gross Tons.
2,150,156—Grand Total Tons.

MR. BOPE: "Of the Sales of Rails since November 18th, there have been included in our formal reports 52,000 tons, being the tonnage for which executed Contracts have been received. 319,506 tons should therefore be added to the 889,112 tons shown therein, making our minimum obligations 1,208,618 tons."

* * *

MR. FRICK: "John Pontefract, as you know, is not well. I have had a talk with him, and find he would prefer to dispose of his interest, feeling that it is doubtful as to his being able to resume business.

"I wrote Mr. Carnegie, saying that I thought we should, under the circumstances, pay Mr. Pontefract something over the Book Value of his interest. Mr. Carnegie replied:—

"'We could make Pontefract a handsome honorarium in addition to his interest taken in the usual way. I think this would be better.

"'We might have other Estates to deal with, and a precedent might be troublesome.

"'As I understand it, he has One hundred thousand dollars, which is pretty good, but I should be glad to hear that the Board had voted him a very handsome sum in addition, but I think it would be in addition.

"'Might make Pontefract's interest as at January 1st, when there will probably be added to Capital several things which will bring it well up. This would give him an advantage.'

"I had a further talk with Mr. Pontefract, and find him entirely satisfied with $125,000.00, as the balance of the value of his interest after deducting his indebtedness. That probably means about $10,000.00 over the real net balance on Book Values.

"I have, therefore, agreed with Mr. Pontefract on that amount, subject to the action of the Board. He does not wish to draw any money, but to leave it with us on deposit, taking a Certificate of Indebtedness; we reserving the right to anticipate payments."

On motion, (Phipps and Singer), it was

RESOLVED: That the purchase of the Interest of JOHN PONTEFRACT in this Association, the same being one-half of one percentum, as at December 31st, 1898, be and the same is now hereby approved, ratified and confirmed; and that any deficiency in the actual Book Value at December 31st is to be considered as an honorarium for zeal and energy; the vote being unanimous.

MR. GAYLEY: "The Operations at Conneaut Dock, for the five days ending December 31st, were:—

Receipts,	None.
Shipments,	15,630 tons."

The following letter from Andrew Carnegie, to the Secretary, under date of December 30th, was read:—

"The wisest articles I read are those of the Iron Trades Review of Cleveland. Would you kindly read to the Board the part blue penciled enclosed.

"The feature pointed out is not singular; it pervades all Trusts or Combinations of any and every kind.

"In the case of this Tin Plate Company as in the case of the American Wire Company, if our President steps forward at the right time and in the right way, informs these people that we do not propose to be injured, on the contrary, we expect to reap great gains from it, that we will observe an "*armed neutrality*" as long as it is made to our interest to do so, but that we require this arrangement;—then specify what is advantageous for us, very advantageous, more advantageous than existed before the combination, and he will get it. If they decline to give us what we want, then there must be no bluff. We must accept the situation and prove that if it is fight they want, here we are "always ready." Here is a historic situation for the Managers to study—Richelieu's advice;—"First, all means to conciliate; failing that, all means to crush." Shakespeare has it:—"First in your right hand carry gentle peace"; but after Peace is gone the worst policy in the world is "gentle war."

"We should look with favor upon every combination of every kind upon the part of our competitors; the bigger they grow the more vulnerable they become. It is with Firms as with Nations, "Scattered possessions" are not in it with a solid, compact, concentrated force.

"It was Operating Department Minutes I had in mind—today, for instance, they reach me—last Saturday's just in second mail today."

On motion adjourned.

F. T. F. LOVEJOY,
Secretary.

Approved at Meeting held,
10 Jan., 1899
H. C. FRICK,
Chairman Board of Managers.

Copy to
A. C., New York;
H. P., Jr., Washington, D. C.
H. M. C., Pasadena;
January, 1899.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, January 10, 1899, there were present MM. FRICK (Chairman), SINGER, PHIPPS, CLEMSON and LOVEJOY (Secretary); also MM. GEORGE LAUDER, JAMES GAYLEY, THOMAS MORRISON and H. P. BOPE. (MM. SCHWAB and PEACOCK in New York; MR. CURRY in Pasadena; MR. WIGHTMAN at home ill).

* * *

MR. PHIPPS: "The purchase having been authorized at an informal Meeting at Mr. Carnegie's house last Thursday, I would report that we have purchased from the Bethlehem Iron Company a Slabbing Mill, a 120" Plate Mill and a 42" Universal Mill. The purchase has been practically closed on the basis of our paying to the Bethlehem Iron Company the prices of the machinery at the maker's works—Mackintosh, Hemphill & Company, Pittsburg. We take the Mills proper, with such appurtenances, fittings and extra parts as are in No. 1 condition and pass our inspection. The Bethlehem Iron Company is to dismantle and load the machinery on cars at their Works without cost to us.

"The payments are $50,000.00 Cash when the total cost is determined and the Agreement to sell shall have been signed; balance in monthly payments of $40,000.00, beginning July 1st; interest on the unpaid balance at 4% from July 1st. The total cost is estimated at not exceeding $500,000.00.

"I have never seen Mills not in active operation in as good condition as these appear to be. The machinery has been

all well kept up while lying idle. We do not take any foundations or boilers, and of the 9 cranes, we take only the 4 heavy ones, the other 5 are too light and not suited for our use."

On motion, (Clemson and Singer), the purchase was approved, ratified and confirmed, and the Officers authorized to sign such papers as may be required; the vote being unanimous.

• • •

Mr. Bope, as Assistant General Sales Agent, submitted the following reports:

"STATEMENT OF SALES OF STANDARD RAILS SINCE NOVEMBER 18, 1898.

	Sales.	Options. (Minimum)	Totals.
Carnegie	326,606	46,000	373,606
Illinois	339,213	33,500	372,713
Cambria	58,538	.....	58,538
Colorado	20,698	.....	20,698
"TOTAL	745,055	79,500	824,555

"All our own sales above reported have been included in our report of obligations following, although formal contracts for only 140,000 tons have been executed."

• • •

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., on Monday, January 16, 1899, there were present MM. FRICK (Chairman), SINGER, SCHWAB, PEACOCK, PHIPPS, CLEMSON and LOVEJOY (Secretary); also MM. GEORGE LAUDER, JAMES GAYLEY, and H. P. BOPE. (MR. CURRY in Pasadena; MR. WIGHTMAN in Florida).

• • •

MR. SCHWAB: "As the members of the Board are aware, I go East tonight and sail for Southampton on Wednesday expecting to be back here April 4th. During my absence, the plans for the new Car Works will proceed without any delay, and be ready with actual bids for all the machinery and other Contract items by April 1st, when an estimate of the cost will be given to the Board and an appropriation asked for. No expenditure will be necessary meantime."

(In reply to the Chairman):

"I have not figured closely on the cost at all, but would say in round figures the Works will cost from $750,000.00 to $1,000,000.00."

MR. PEACOCK: "I think while we are on the subject of Car Works, it would be well to consider our present position with the New Steel Car Combination. They have already approached us on the subject of a Contract, and would be willing to buy probably 1,000 tons of steel a day, provided we stay out of the Steel Car Business. I think, under a favorable contract, I would favor this, especially since they are re-organized, and will be in good financial condition and safe to sell to."

MR. SCHWAB: "I do not think anything should prevent our going ahead with our Car Works."

MR. CLEMSON: "There is room for two, and they will have to come to us."

MR. PHIPPS: "I would favor going ahead."

MR. LAUDER: "It would bear some thought, but, on the whole, I think I would go ahead with the Works."

MR. SINGER: "I think we should go ahead with our plans, but I am a little inclined to agree with Mr. Peacock. There is a great deal of detail connected with the Car business, and we will probably make as much money if we sell the Plates as if we turned the Plates into Cars and sold them."

MR. GAYLEY: "I would go ahead with the Works."

MR. CLEMSON: "I would build the Car Works, and would also look into the Steel Pipe business. I believe there is money in that."

MR. LOVEJOY: "I think we should go ahead with the Works, believing we can sell both Plates and Cars, and hav-

ing the Car Works, we can compel Schoen-Fox to buy from us."

MR. FRICK: "Is our Car as good as the Schoen or Fox car?"

MR. SCHWAB: "I think it is better, but it is heavier. We expect to improve on it, and I believe we can make it as light as theirs, and, at the same time, a better and stronger car."

MR. FRICK: "I am strongly in favor of going ahead. There will be room for both."

* * *

MR. FRICK: "I would like to ask Mr. Peacock if he is selling much Material today, and if he is getting advanced prices?"

MR. PEACOCK: "I think the only increase in Billets sold shown in our statements during the last four weeks has been where we have sliding scale Contracts. We have today nothing to sell but Structural Material, on which we are getting good prices.

"We have under consideration a Contract with the American Tin Plate Company of New Jersey, which has been agreed to, subject to the action of the Board."

The Contract was read in full, the features thereof being:

QUANTITY: 125,000 gross tons of Tin and Black Plate Bars (not including Sheet Bars) per year, for a period of Five (5) years, from July 1, 1899, and thereafter until after One year's written notice, which may be given by either party, on or after July 1, 1903.

PRICE: When the Price of Pig Iron per gross ton is	The amount to be added to the price of Pig Iron for Sheet Bars shall be:
$8.99 or under,	$5.45
9.00 to 9.99,	5.60
10.00 " 10.99,	5.75
11.00 " 11.99,	6.00
12.00 " 12.99,	6.25
13.00 " 13.99,	6.50
14.00 " 14.99,	6.75
15.00 " 15.99,	7.00
16.00 or over,	7.25

Price to be fixed monthly and averaged for six months.

PAYMENTS: Cash on the 20th of each month.

DELIVERIES: Approximately 10,416 tons per month.

Buyer may specify up to 10% Basic Open Hearth at 1.50 per ton advance.

Buyers may not re-sell without first putting Material through a process of manufacture.

Sellers agree, so long as the Buyers perform their part of this Contract "They will not sell to any competitive person or Company in the United States, Tin or Black Plate Bars of the character covered by this Contract;" and Sellers agree "Not to enter into competition with The Carnegie Steel Company, Limited, in any of the products which The Carnegie Steel Company, Limited, manufactures, during the life of this Contract."

Buyers also agree, if their capacity be increased, Sellers shall have the privilege of selling the same proportion of the new requirements.

Any dispute as to price to be referred to A. H. Childs.

MR. FRICK: "Would it not be well to have all matters of dispute under this Contract referred to an Arbitrator?"

MR. PEACOCK: "It might be, although our Attorneys advise us our position is better if we do not agree to defer all matters to an Arbitrator, since we would probably be compelled to appeal to the Courts to sustain the award of an Arbitrator, and we might as well fight out the whole thing in Court."

MR. FRICK: "I do not agree. The decision of an Arbitrator is usually binding and conclusive among reputable business concerns."

All spoke in favor of the making of this Contract, and, on motion, (Schwab and Phipps), its execution was authorized; the vote being unanimous.

MR. PEACOCK: "This represents 25% of their total requirements of last year."

MR. SCHWAB: "It is more than double what we sold last year."

MR. PEACOCK: "We have in process of negotiation a Contract with the National Transit Company for Plates, but it is not quite in shape to report to the Board. It also is a

sliding scale, and on $10.00 Pig, gives us 1.15c. for Sheared Plates."

MR. SCHWAB: (In reply to the Chairman):

"That would give us $8.00 per ton profit."

On motion, (Phipps and Schwab), the making of this Contract was left with Mr. Peacock, with power to act.

MM. Gayley and Clemson, appointed as a Committee December 13th, made the following report:

"The Committee appointed to investigate the property of the Pittsburg & Conneaut Dock Company, at Conneaut Harbor, Ohio, to determine if land was available for the erection of a Blast Furnace Plant, would report as follows:

"A number of plans have been prepared to determine the best location, and with such plans before us a personal inspection of the property was made during the past week. The plot selected is just east of the present coal unloading slip. The new drawbridge crossing the creek to the new dock will permit the largest ore vessels to pass. At a point on the creek 300 feet east of the drawbridge the vessels can turn into a slip, which will have to be dredged, which allows ample room for stock yards and furnace plant on the East side. By this arrangement, there is obtained on the Western side a strip of ground 400 feet wide which can be used by the Dock Company in further dock extensions, the length of such dock can be from 1,000 to 2,000 feet long as found necessary to dredge. There is provided in this arrangement ample room for a furnace plant between the slip and the hillside, and lengthwise will be found room for a number of furnaces. The low ground extending along the railroad for some distance affords an excellent space for disposal of slag for many years, or the slag can just as readily be conveyed to the upper end of the new dock and dumped into the lake, and in this way providing for dock extensions. There is sufficient flat land adjoining the furnace location, of which the Dock Company owns part, which if filled with slag would be suitable for Steel Works and other manufactories.

"The slip your Committee had in view for a furnace site comprised about 25 acres, with plenty of just as suitable property adjoining.

"The dock frontage at Conneaut for discharging ore is as follows:

Old Dock	1,900	feet
Direct unloading Dock	1,200	"
New Dock (under construction)	1,100	"
Total	4,200	"
New Dock can be extended	1,100	"
Furnace Dock as outlined	1,000	"
Making a total of	6,300	feet

and this can be increased by extensions into the lake and of the Furnace slip. The above figures are for ore unloading alone, and does not include the side of dock for coal or rail unloading.

"A Furnace at Conneaut Harbor making 300 tons of iron per day would require per annum 100,000 net tons of Coke and 40,000 gross tons of limestone."

MR. FRICK: "We will leave that report on the Minutes for consideration, and take up the matter at some future time."

* * * *

Mr. Bope, as Assistant General Sales Agent, submitted the following report:

STATEMENT OF SALES OF STANDARD RAILS SINCE NOVEMBER 18, 1898.

	SALES	OPTIONS. (Minimum)	TOTALS
Carnegie	326,623	46,000	372,623
Illinois	342,713	36,000	378,713
Cambria	65,266	.....	65,266
Colorado	20,698	.....	20,698
Total	755,300	82,000	837,300

"All of our own sales above reported have been included in our report of obligations following, although formal Contracts for only 197,000 tons have been executed."

* * * *

At a meeting of certain of the Shareholders of

THE CARNEGIE STEEL COMPANY, LIMITED,

(Being such of the "Junior Partners" as could be gotten together on short notice), held at the general Offices of the Association, Carnegie Building, Pittsburg, Pa., at 3:00 P. M. Thursday, January 19, 1899, there were present MM. LAUDER PEACOCK, PHIPPS (L. C.) CLEMSON, MORRISON, MORELAND, BOPE and LOVEJOY.

MR. PEACOCK presided; MR. LOVEJOY acted as Secretary.

Mr. Lauder read two letters from Mr. Carnegie, one having been shown yesterday to the persons present that they might think over the subject (in which the "Junior Partners" were asked to express their opinion as to the advisability of embracing the property and business of the H. C. Frick Coke Company in the Organization of the Carnegie Company, Limited.)

Much of the discussion being conversational, the following represents a consolidation of the views expressed:

MR. PEACOCK: "A supply of Coke is to us just as vital as a supply of Ore. We figure that we have an Ore supply for at least fifty years; we should not lose this opportunity of protecting ourselves on Coke. I would, therefore, favor the purchase outright, at such price as might be agreed upon between MM. Carnegie and Frick. They are the largest Stockholders and should fix the price. I understand the price mentioned, $35,000,000.00, is based on the purchase of the McClure Coke Company property."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, January 24, 1899, there were present MM. FRICK (Chairman), SINGER, PEACOCK, PHIPPS, and LOVEJOY (Secretary); also MM. HENRY PHIPPS, JR., GEORGE LAUDER, THOMAS MORRISON and H. P. BOPE. (MR. SCHWAB abroad; MR. CURRY at Pasadena; MR. CLEMSON at TYRONE; MR. WIGHTMAN in Florida; MR. GAYLEY at Atlantic City.)

The Minutes of the Meeting of the Board of Managers held January 16, 1899, were read, and, on motion, approved.

MR. PEACOCK: "The American Tin Plate Company Contract, reported to the Board at the last Meeting, has been signed, and arbitration clause on all matters in dispute having been first inserted, in accordance with the recommendation of the Chairman.

"The National Transit Company contract is not yet in shape to report to the Board. It is in their hands for action."

* * *

Mr. Bope, as Assistant General Sales Agent, submitted the following reports:—

STATEMENT OF SALES OF STANDARD RAILS SINCE NOVEMBER 18, 1898.

	Sales.	Options. (Minimum)	Totals.
Carnegie	335,973	46,000	381,973
Illinois	353,758	36,000	389,758
Cambria	65,534	.....	65,534
Colorado	28,198	2,500	30,698
Total	783,463	84,500	867,963

MR. BOPE: "During the past week we transferred 6500 gross tons of L. S. & M. S. Contract to Illinois Steel Company, per agreement.

"All of our own Sales above reported have been included in our report of Obligations following, although formal Contracts for only 209,907 tons have been executed."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, January 31, 1899, there were present MM. FRICK (Chairman), PEACOCK, PHIPPS, CLEMSON and LOVEJOY (Secretary); also MM. GEORGE LAUDER, JAMES GAYLEY and H. P. BOPE. (MR. SCHWAB abroad; MR. CURRY at Pasadena; MR. SINGER abroad; MR. WIGHTMAN in Florida; MR. MORRISON in Chicago).

* * *

MR. BOPE; (In reply to MR. LAUDER:)

"We have a great many inquiries for Rails, but most of them are for small lots only. One recent inquiry was for 30,000 for Texas, but comes to us only from the grading Contractor and may not materialize. We are quoting $20.00 on small and $19.00 on large lots for Standard Rails."

MR. PEACOCK; (In reply to the Chairman):

"Unless we can stand off some of our customers, we are sold up on Rails for this year. We may have to transfer some to the Cambria Iron Company under our Agreement."

MR. LOVEJOY: "As Secretary, I received several communications from Mr. Carnegie during the past week. Some of the members of the Board have seen them, but not all."

They were read, as follows:—

Dated, 23 January, 1899:—

"THOUGHTS ON COKE, MEETING OF JUNIORS.

"Thirty millions with Seventy-five millions Mortgage

is surely better for the Steel Company than Thirty-five with a Hundred Million Mortgage. Don't agree with Mr. Phipps here, agree with Mr. Moreland. Also think we should not issue more than $75,000,000 Mortgage Bonds anyhow, even if the Mortgage be made $100,000,000, and further issue made only for additional property, not Capital.

"Here is a suggestion: The question of Coke purchase was separated when option given Federal Steel Company. Let it remain so, because The Carnegie Steel Company has had forced upon it far more than ever intended, the purchase of Bethlehem Mills, the erection of 10 Open Hearth Furnaces, is new business. I have tried hard to free myself from the feeling that our Officials should not be worried with anything more at present. Let us get through what we have on hand.

"Another point that weighs heavily is this. The Frick Coke Company is the child of Henry Clay Frick, to think that it can be the same if wiped out, is in my opinion a mistake. As long as Mr. Frick can be induced to attend to it my belief is that the business will be far better managed than we can hope to manage it. The importance of the Steel Company owning Coke I grant, and as you all know this is secured if anything happens me. I am also doubtful of the effect upon large consumers, of the steel Company having direct monopoly. If the Federal Steel Company took the one-quarter interest which Mr. Frick is negotiating with them about, this would largely disappear, because with their consumption and ours, we would be almost independent of the general market. Understand Federal Steel Company has bought Puritan— seems strange.)

"Mr. Lauder says the Frick Coke Company is splendidly managed. We cannot hope to improve it.

"While I do not wish to be understood as opposed to the final consolidation, I submit we should not undertake anything new just now. Personally I should much rather wait and go ahead with the Bond issue, one thing at a time, and let the Coke purchase come later. Of course this year the Frick Coke Company will make probably double the amount that The Carnegie Steel Company would have to pay on the Bonds proposed. On the other hand I do not think its aver-

age earnings for the past ten years or so has been much more, if it has been as much as the interest. I do not believe the Coke business will ever pay large returns yearly, but it has the element of untold value for the future. $1.50 coke is thought maximum—I had thought $2.00 might be got. Frick and Lauder agree $1.50.

"The agreement made between the two Companies removes in my mind almost all objections to the situation which existed before. We have no bargains to make; it is a clear, fair, satisfactory agreement. While the returns of the Frick Coke Company will be fair, the bulk of its business coming to the Steel Company cannot pay big profits at $1.35.

"Personally I should prefer not making the change in Charter, Bond issue, etc., until the existing excitement passes. Every day we have announcements of further consolidations, issues of new Stock, Bonds, etc.,—seven new ones announced in one day. The Stock Exchange is mad, and a violent explosion is impending. I should not like to see The Carnegie Steel Company before the public as making a $100,000,000 Mortgage. Better postpone. Probably the beginning of next year it can be quietly done. Nobody would lose a dollar by the delay. This seems to me a time for us to keep very quiet, pursue our business steadily, close five year contracts as you are doing, and let the tumult in Iron circles go on until it boils over. January 1st, 1900, ought to be marked by something special, and this would be a splendid date for a Jubilee issue of Bonds.

"The President was very sanguine as he passed through here. But I am afraid to tell you what he estimates the results at for this year. The Chairman can give you a copy of a letter which the President has ventured to put his name to, that I do not think any of you will endorse within several millions of dollars. All this only suggestions. Watch out for a panic on Exchange any day now.

"Lauder and Clemson fearful of taking over the Frick Coke Company gives me 'pause'—they know best. Clemson has written me fully."

MR. LOVEJOY: "Mr. Carnegie marks this letter 'Unnecessary for regular Minutes.'"

MR. FRICK: "I think this letter and the other should be placed upon the Minutes for the information of our absent members.

"In my opinion, Mr. Carnegie is just right in advising the postponement of the Bond issue. I think we should hold over the whole matter, with the understanding, however, that when it comes up again, it shall be as a new question, to be settled on its merits at that time."

From Mr. Andrew Carnegie, dated 25th January:—

"Noted remark in Minutes—Clemson—about Steel Pipes. This is (next to Cars) the greatest field perhaps for steel. Should like Mr. Clemson to give his views in full. It is the surest way to continued leadership, to adopt policy of selling a few finished articles which require large tonnage, of this I am certain.

"Steel Cars—Bridges, Stations, Buildings—Perhaps Steel Pipes next in order."

MR. FRICK: "The Steel Pipe business is a very nice business and one in which there is a good profit."

MR. CLEMSON: "I am looking carefully into it, and will get all the data I can, and submit a report."

MR. FRICK: "I think we have undertaken all we can do for this year, but we should be looking ahead and know all about the next question it is proposed to take up."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building Pittsburg, Pa., at 12:30 P. M., Tuesday, February 7, 1899, there were present MM. FRICK (Chairman), PEACOCK, PHIPPS, CLEMSON and LOVEJOY (Secretary): also MM. GEORGE LAUDER, JAMES GAYLEY, THOMAS MORRISON and H. P. BOPE. (MM.

SCHWAB and SINGER abroad; MR. CURRY in California; MR. WIGHTMAN in Florida.)

* * *

Mr. Bope, as Assistant General Sales Agent, submitted the following reports:—

Statement of Sales of Standard Rails since November 18, 1898.

	Sales.	Options. (Minimum)	Totals.
Carnegie	346,801	46,000	392,801
Illinois	400,536	36,000	436,536
Cambria	69,124	—	69,124
Colorado	28,201	—	28,201
Totals	844,662	82,000	926,662

MR. BOPE: "All of our own Sales above reported have been included in our report of Obligations following, although formal Contracts for only 269,445 tons have been executed."

* * *

"The summary of important sales for month ending January 31st, 1899, is as follows:—

Net Tons.	Material.	Average Price Per Lb.	Average Price Net Ton.
62,656	Struc'l & Ship—Domestic	1.201c.	$24.02
6,110	" " —Canadian	1.05	21.00
12,648	" " —Foreign	.951	19.02
14,854	Plates—Domestic	1.213	24.25
1,173	Nickel Steel Plates—Domestic	3.54	70.80
50	Plates—Foreign	1.08	21.60

2,783	Bars—Domestic	1.123	22.46
487	Bars—Foreign	.993	19.86
2,985	O. H. Axles—Domestic	1.766	35.33

103,746=Total Net Tons.

Gross Tons	Material.	Average Price Gross Ton.
4,580	Ferro Manganese—Domestic	$49.05
53,759	Billets & Slabs—Domestic	15.77
200	Billets & Slabs—Foreign	15.34
5,450	Sheet Bars—Domestic	15.85
10,870	Pig Iron—Domestic	10.15
6,716	Scrap—Domestic	11.66
161,320	Standard Rails—1sts—Domestic	16.53
14,500	Standard Rails—1sts—Canadian	16.55
10,251	Standard Rails—1sts—Foreign	15.39
6,825	Standard Rails—2nds—Domestic	15.48
750	Standard Rails—2nds—Canadian	15.69
4,373	Light Rails—Domestic	16.69
2,842	Light Rails—Foreign	18.16
5,708	Splice Bars—Domestic	20.85
1,188	Splice Bars—Canadian	20.54
569	Splice Bars—Foreign	21.48

289,892=Total Gross Tons.
393,638=Grand Total Tons.

MR. BOPE: "Since the last Meeting, the prices of Rails have been advanced to $20.00 for large lots, and $21.00 for small lots. A further advance to $22.00 and $23.00 is under consideration."

* * *

The following report from D. M. Clemson was read, and ordered placed upon the Minutes for the information of our absent Partners:—

"A short time since I remarked, in a general way, that

I thought the steel pipe business a good venture; this remark was based on my observations of the growth of the pipe mills in Pittsburg during several years past. It is not long since we sold the National Tube Works Company nearly their entire requirements of Plates, but their business increased to a point where we were unable, as they thought, to furnish Plates in as large quantities and as promptly as they required, and in 1894 they built two large modern blast furnaces, and today they are contemplating the addition of the third blast furnace, and while our business has grown rapidly, they, during the same time, have expanded fully as much or more, in proportion, than we have.

"On investigation, I find they produce 250,000 tons of finished material annually. As near as I can learn, the production of wrought iron and steel pipe in the United States is about 1,000,000 tons annually, riveted pipe and seamless tubing not included, of which there is from 300,000 to 500,000 tons used annually. The National Tube Works Company produce 250,000 tons annually, and I am advised they are now unable to fill the demands made upon them for their product. Their product sells for from Two to Three cents per pound; about 50% of their product is standard sizes which sell at least at two cents per pound. Plate costing One cent per pound, pipe selling for Two cents per pound, allowing one-half cent per pound for conversion (I am informed by several persons who should know that it is done for this price) gives them a profit of Ten Dollars per ton. On 250,000 tons, they have an annual profit of $2,500,000.00. I have made no allowance for a large proportion of their product such as boiler tubes, tubing, casting, etc., for which they get not less than Two and three-fourth cents per pound.

"I am also informed that a Mill fully equipped such as the National Tube Works Co's Mill, without blast furnaces and rolling Mills, would cost $1,000,000.00. I believe this price to be a liberal one, as there does not seem to me to be any special machinery required, as it is the simplest conversion into finished material of any product I know.

"Some of the Standard Oil Company officials are interested in the National Tube Works Company, Pennsylvania Tube Works Company and Oil City Tube Works. These

three Mills probably produce 50% of all the wrought pipe of this Country, but we would certainly get our share of the business and think it an opportune time for another large Mill, especially in view of the fact that the foreign demand for this material, which is now quite good, is rapidly increasing.

"I am unable to give you the proportion of wrought iron pipe manufactured, but this is not of importance, as O. H. steel is fully equal in quality and demands the same price. If we were to go into the product of O. H. steel pipe, I predict the National would have to go into the O. H. business, as their business in steel is Bessemer, with the exception of the small quantity of wrought iron used by them, and Bessemer pipe does not compare favorably with O. H. at all. Bessemer steel pipe, where quality is essential, is not bought from Choice, but necessity. Bessemer steel pipe is not used from Choice in Oil and Gas wells as it will not resist high pressures, nor in pipe lines, because it will not withstand bends, although the pipe is heated where bends are required; therefore, in these particulars O. H. steel is far superior to Bessemer.

"I have quoted the National as they lead in the pipe business. They secured this position during the days of all wrought pipe, and since the innovation of steel pipe they have continued to keep the lead, notwithstanding the fact they do not make O. H. steel; they are able to convince some people that Bessemer is better for pipe than O. H. steel. If we were to go into the business, they would have to act energetically to maintain their present position on account of quality; this is where we should have a strong hold on the business.

"I have quoted One cent per pound for Plates as the Two cent selling price is based on that price for Plate; any advance we have made over One cent has been added to the Two cent price.

"Take the worst view of this we can, say it cost $15.00 per ton for conversion and delivering (pipe is sold on a delivered price) and sells for Two cents per pound, on a business of 250,000 tons we have a profit of One and One-quarter Million Dollars on an investment of, say, One Million Dollars. The business too is as permanent as the Steel Rail business; during the dull times of a little while since, the principal Mills of Pittsburg and vicinity ran full. I do not suppose there

was much money made, but the fact of their being able to run full is an evidence of a good business.

"Above is the nearest correct information I have been able to procure up to this time.

"I herewith enclose list of sizes, weights and prices of pipe; the prices quoted are those ruling today. I also enclose list of Mills in the United States, with their capacities, etc."

STATEMENT OF WEIGHTS AND PRICES OF VARIOUS SIZES OF PIPE.

Size.	Net Price per lineal foot.	Weight per lineal foot.
	MERCHANT PIPE.	
¼"	.0152	0.42 pounds.
⅜"	.0152	0.56 "
½"	.0163	0.84 "
¾"	.0199	1.12 "
1 "	.0274	1.67 "
1¼"	.0362	2.24 "
1½"	.0472	2.68 "
2 "	.0636	3.61 "
2½"	.0945	5.74 "
3 "	.1235	7.54 "
3½"	.1471	9.00 "
4 "	.1725	10.66 "
4½"	.227	12.49 "
5 "	.2579	14.50 "
	SCREW COUPLINGS.	
6 "	.41	18.76 "
8 "	.60	28. "
10 "	.95	40. "
12 "	1.20	49. "
(Line Pipe)		
	PLAIN ENDS. COUPLINGS EXTRA.	
12 "	.90	35. "
16 "	2.00 (⅜" thick),	61.7 "
20 "	2.80 "	77. "
24 "	3.50 "	93. "
30 "	9.00 (½" thick),	118. "
(Line Pipe)		

LIST OF WROUGHT AND STEEL PIPE MAKERS OF THE UNITED STATES, GIVING CAPACITIES AND SIZES OF FINISHED MATERIAL.

Firm.	Annual Capacity Tons.	Sizes.	Product.
Cohoes Tube Works, Cohoes, N. Y.	12,000	⅛"— 2"	Wrought & Steel.
Syracuse Tube Works, Syracuse, N. Y.	22,500	¼"— 8"	Wrought & Steel.
Cumberland Nail & Iron Works, Bridgeton, N. J.	3,200	⅛"— 1¼"	Wrought.
N. J. Steel Tube Works, Kearney, N. J.	1,000	1/16"— 1¼"	Wrought & Steel.
Albright Sons & Co., Allentown, Pa.	——	⅛"— 2"	Wrought.
Allison Manufacturing Co., 32d & Walnut Streets, Philadelphia, Pa.	——	——	Wrought & Boiler Tubes.
American Tube & Iron Co., Middletown, Pa.	130,000	⅛"— 20"	Wrought.
A. M. Byers & Co., Pittsburg, Pa.	45,000	⅛"— 8"	Wrought.
Chester Tube Co., Chester, Pa.	70,000	1½"— 12"	Wrought & Steel.
Conshohocken Pipe & Tube Co., Conshohocken, Pa.	9,000	⅛"— 4"	Wrought.

Etna Iron & Tube Co., Pittsburg, Pa.	22,500	⅛"— 10"	Wrought & Steel.
National Tube Works Co., McKeesport, Pa.	250,000	⅛"— 36"	Wrought & Steel.
Oil City Tube Co., Oil City, Pa.	50,000	⅛"— 12"	Wrought & Steel.
Oil Well Supply Co., Pittsburg, Pa.	50,000	⅛"— 12"	Wrought & Steel.
Pennsylvania Tube Works, Pittsburg, Pa.	150,000	⅛"— 30"	Wrought & Steel.
Reading Iron Co., Reading, Pa.	75,000	⅜"— 12"	Wrought.
Tyler Tube & Pipe Co., Washington, Pa.	15,000	¼"— 6"	Charcoal Tubes.
Delaware Iron Co., New Castle, Del.	75,000	⅜"— 16"	Wrought & Steel.
Riverside Iron Co., Wheeling, W. Va.	90,000	⅛"— 10"	Wrought & Steel.
American Tube & Iron Co., Youngstown, O.	30,000	1½"— 20"	Wrought Iron Pipe.
Ohio Tube Co., Warren, O.	40,000	¼"— 6"	Wrought & Steel.

Crane Company, Chicago, Ill.....	12,000	1/8"— 2"	Wrought & Steel.
Western Tube Co., Kewanee, Ill....	35,000	3/8"— 3"	Wrought & Steel.
TOTAL.....	1,187,200		

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:50 P. M., Tuesday, February 14, 1899, there were present MM. FRICK, PEACOCK, PHIPPS, MORRISON, CLEMSON, GAYLEY and LOVEJOY.

* * *

MR. FRICK: "I spent some time last Saturday with Mr. Carnegie, discussing the features of proposed Contracts with the Pressed Steel Car Company, American Car & Foundry Company, and a Company as yet without a formal organization, being a consolidation of the Bridge business of the United States.

"With a few minor changes, these Contracts have been approved by Mr. Carnegie, as well as by all the members of the Board to whom they have been submitted. They should be placed in the Minutes for record and for the information of our absent Partners."

The first mentioned Agreement was read, as follows:—

"AGREEMENT, Made this fourteenth day of February, One Thousand eight hundred ninety-nine, between THE CARNEGIE STEEL COMPANY, LIMITED, herein called the SELLERS, and THE PRESSED STEEL CAR COMPANY, herein called the BUYERS:

"Whereby, the Sellers, in consideration of the payments and covenants herein agreed to be made and performed, agree to furnish and deliver f.o.b. cars Pittsburg, beginning with

August, 1899, at the prices hereinafter stipulated and subject to the terms and conditions of this contract, all the steel plates, angles, bars (but not including steel skelp), beams and channels, and all the axles that shall be required for use in the operation at all of the Buyers' Works, now owned or hereafter acquired, other than Joliet, for the period of ten (10) years from the date hereof; and the Buyers agree to pay the Sellers for all such material a price per ton based on the average price of Standard Bessemer Pig Iron, f.o.b. Pittsburg, to be ascertained by adding certain sums to the average price of Pig Iron, as follows:—

When the price of Pig Iron per gross ton is:	The amount to be added, per gross ton, for plates 1/4" thick and above, and bars 9/16" to 3" rounds and squares, and flat bars above 8" width, is:
Under $8.50 and $8.50 to $8.99	$15.90
9.00 to 9.49	16.04
9.50 to 9.99	16.18
10.00 to 10.49	16.32
10.50 to 10.99	16.46
11.00 to 11.49	16.60
11.50 to 11.99	16.74
12.00 to 12.49	16.88
12.50 to 12.99	17.02
13.00 to 13.49	17.16
13.50 to 13.99	17.30
14.00 to 14.49	17.44
14.50 to 14.99	17.58
15.00 to 15.49	17.72
15.50 to 15.99	17.86

16.00 and over at the same ratio.

"For standard angles, $1.00 per ton less than the price of Plates and bars.

"For 3/16" plates, and beams and channels 15 inches

wide and under, $1.00 per ton advance over price of plates and bars.

"For 1/8" plates, and for angles of a less weight than one pound per lineal foot, and for 18", 20" and 24" beams, $2.00 per ton advance over the price for plates and bars.

"The material in the above items shall be open hearth soft or medium steel, of sizes, sections and quality such as manufactured by the Sellers, suited to car and car-truck construction used by Buyers, and to specifications attached hereto.

"For car axles the basis shall be as follows:—

When the price of Pig Iron per gross ton is:	The amount to be added, per gross ton, for M.C.B. axles, of standard dimensions and weight not exceeding 599 lbs., smooth forged, no discard, is:
Under $8.50 and	
$8.50 to 8.99	$18.70
9.00 to 9.49	18.84
9.50 to 9.99	18.98
10.00 to 10.49	19.12
10.50 to 10.99	19.26
11.00 to 11.49	19.40
11.50 to 11.99	19.54
12.00 to 12.49	19.68
12.50 to 12.99	19.82
13.00 to 13.49	19.96
13.50 to 13.99	20.10
14.00 to 14.49	20.24
14.50 to 14.99	20.38
15.00 to 15.49	20.52
15.50 to 15.99	20.66
16.00 and over	20.80

For rough turning journals and wheelseats.	$1.25 per ton extra.
For rough turning all over.	2.50 per ton extra.

For axles weighing 600 lbs. and heavier,	2.00 per ton extra.
For heavy P. R. R. axles, and axles subject to P. R. R. or similar specifications, rough turned all over,	$10.00 per ton extra.

"Upon the foregoing conditions, it is further mutually agreed between the parties hereto, as follows:—

"First: The prices contemplated by this contract for above materials shall be fixed for each three (3) months' period, beginning with date hereof, and shall be determined according to the above table from the average market price of standard Bessemer Pig Iron, free on Board cars at Pittsburg, for the next preceding three (3) months; the average market price of Pig Iron for each month to be first ascertained, and from these monthly prices the average price for the three months ascertained. The average monthly price shall be agreed upon in writing within one week from the end of each month, and the average price for the three months shall be agreed upon in writing, within one week from the end of the third month. In case the parties hereto cannot mutually agree and reduce said agreement to writing, within said time, upon the average price of Pig Iron, it shall be referred to Albert H. Childs as arbitrator. Written notice to Mr. Childs by either party of this failure to agree upon said prices within said times, shall be all that is necessary to invoke Mr. Childs' power hereunder, and the decision of Mr. Childs as to the price or prices shall be final and conclusive upon all the parties.

"It is also mutually agreed that any differences arising under this contract, whether in respect to its interpretation, the manner of its execution or any rights of either party thereunder, will also be referred to Mr. Albert H. Childs, whose decision shall be final and binding upon both parties. In case of the inability of said Albert H. Childs to act as arbitrator, each of the parties to this agreement shall select a person of experience in the iron and steel trade. In case of their failure to agree, the two persons thus selected shall

select a third person, whose decision shall be final and binding upon both parties.

"SECOND: Settlements shall be made on or before the twentieth of each month for shipments of the preceding calendar month, by the Buyers, in cash or in their notes at ninety days from average date of such shipment, with interest at the rate of five (5) per cent. per annum.

"THIRD: The Buyers shall advise Sellers promptly in writing of each bid made by them for any construction into which above material may enter, by number, and the approximate tonnage and character of materials covered by such. The Buyers shall also advise Sellers in Writing immediately on receipt of notice of acceptance of such bids. The prices fixed by this contract as of the date written notice of such bid is received by Sellers, shall govern the sale of such material.

"The Buyers shall place orders for such materials in detail with Sellers as promptly as they can be written up after sales are closed by Buyers, specifying the month or months for delivery, and shipment shall be made in consecutive order in accordance with such specifications. Should unreasonable delays occur on the part of the Sellers in making deliveries, the privilege is extended to the Buyers of cancelling the unshipped portions of such delayed orders.

"FOURTH: Notwithstanding any previous provisions of this contract; the total quantity of material Sellers shall be required to deliver in each month shall not be more than thirty thousand (30,000) tons. And, in case the Buyers require more than the above maximum quantity of material in any one month, the Sellers are hereby given the option of furnishing such excess at the prices and upon the terms and conditions fixed in this contract.

"FIFTH: Strikes, differences with workmen, or other contingencies beyond control of the respective parties hereto, shall be sufficient excuse to either party for failure to make or accept deliveries under this contract during the continuance of such contingency; but, upon its removal, this contract shall be resumed without any extension by reason of such suspension.

"SIXTH: It is a condition of this contract that the Buyer shall not re-sell any of the material furnished hereunder, without first putting it through a process of manufacture.

"SEVENTH: It is further agreed that the Buyers are to notify the sellers from time to time, of any contemplated increase in their plant or plants, which would involve larger demand for material from the Sellers.

"EIGHTH: No minimum quantity of material to be taken by the Buyers is specified in this contract because the contract providing as it does for all Buyers' requirements, it is not intended that they shall be required to take material for which they have no use.

"On the other hand, however, if conditions should arise under which Buyers fail for two or more months to take at least twenty thousand (20,000) tons per month, the Sellers shall have the right to sell the output of their Mills to other parties without liability to the Buyers for inability to fill their orders in full until after deliveries shall have been completed to the third parties to whom said materials shall have been sold. Nor shall such failure on Sellers' part to fill Buyers' orders under such circumstances be cause for avoiding this contract by Buyers.

"NINTH: In consideration of the execution of this contract by the Sellers, the Buyers have paid to the Sellers One hundred thousand Dollars, and agree to pay an additional sum of One hundred thousand dollars for each year of the term of this contract, namely, on the first day of March in each year of the ten years until the whole sum of One million dollars is paid. The second payment to be made March 1st, 1900, and yearly upon the same date thereafter.

"All of the provisions of this contract shall apply to the successors, or assigns succeeding to the business, of each of the parties hereto.

"This contract may be terminated at any time by the Sellers giving to the Buyers one year's notice in writing; the date of termination shall be upon the first day of some April, and the notice to terminate shall be a full year prior thereto. In the event of the Sellers terminating the contract, the buyers shall

not be liable for the annual payments of One hundred thousand Dollars aforesaid after the date named for the termination of the contract by the Sellers. The Buyers may likewise terminate this contract on similar notice of one year if the Sellers enter into the construction of steel cars in competition with the Buyers.

MR. FRICK: "Mr. Carnegie really felt that we should go ahead with the Car business, but since all the members of the Board seem to be in favor of making this Agreement, believing that the Contract as a whole is a favorable one for us, that we can afford to wait a little and take advantage of a few more years experience in the construction and in the use of Steel Cars, and in view of the fact that we can terminate this Contract on One (1) year's notice, he waived his objections."

No discussion followed, the members of the Board being familiar with the terms of the Agreement, and, on motion, (Phipps and Clemson,) the making of the Agreement, as set forth foregoing, was authorized; the vote being unanimous, and all present concurring.

The second Agreement referred to was read, as follows:—

"AGREEMENT, made this fourteenth day of February, One thousand eight hundred and ninety-nine, between THE CARNEGIE STEEL COMPANY, LIMITED, herein called the SELLERS, and THE AMERICAN CAR AND FOUNDRY COMPANY, herein called the BUYERS:

"Whereby, the Sellers, in consideration of the payments and covenants herein agreed to be made and performed, agree to furnish and deliver f. o. b. cars Pittsburg, at the prices hereinafter stipulated and subject to the terms and conditions of this contract, all the steel plate, angles, bars (but not including steel skelp), beams and channels, and also, after Sellers new axle works shall have been completed, all the axles that shall be required for use in the operation at all of the Buyers' Works, now owned or hereafter acquired, for the period of ten (10) years from the date hereof; and the Buyers agree to pay the Sellers for all such material a price per ton based on the

average price of Standard Bessemer Pig Iron, f. o. b. Pittsburg, to be ascertained by adding certain sums to the average price of Pig Iron, as follows:—

When the price of Pig Iron per gross ton is	The amount to be added, per gross ton, for plates 1/4" thick and above, and bars 9/16" to 3" rounds and squares, and flat bars above 8" width, is:
Under $8.50 and $8.50 to 8.99	$15.90
9.00 to 9.45	16.04
9.50 to 9.99	16.18
10.00 to 10.49	16.32
10.50 to 10.99	16.46
11.00 to 11.49	16.60
11.50 to 11.99	16.74
12.00 to 12.49	16.88
12.50 to 12.99	17.02
13.00 to 13.49	17.16
13.50 to 13.99	17.30
14.00 to 14.49	17.44
14.50 to 14.99	17.58
15.00 to 15.49	17.72
15.50 to 15.99	17.86

16.00 and over in the same ratio.

"For standard angles, $1.00 per ton less than the price o plates and bars.

"For 3/16" plates, and beams and channels 15 inches wide and under, $1.00 per ton advance over price of plates and bars.

"For 1/8" plates, and for angles of a less weight than one pound per lineal foot, and for 18", 20" and 24" beams, $2.00 per ton advance over the price for plates and bars.

"The material in the above items shall be open hearth soft or medium steel, of sizes, sections and quality such as manufactured by the Sellers, suited to car and car-truck construction used by Buyers and to specifications attached hereto.

"For car axles the basis shall be as follows:—

Then the price of Pig Iron per gross ton is:	The amount to be added per gross ton, for M. C. B. Axles, of standard dimensions and weight not exceeding 599 lbs., smooth forged, no discard, is:
Under $8.50 and	
$8.50 to 8.99	$18.70
9.00 to 9.49	18.84
9.50 to 9.99	18.98
10.00 to 10.49	19.12
10.50 to 10.99	19.26
11.00 to 11.49	19.40
11.50 to 11.99	19.54
12.00 to 12.49	19.68
12.50 to 12.99	19.82
13.00 to 13.49	19.96
13.50 to 13.99	20.10
14.00 to 14.49	20.24
14.50 to 14.99	20.38
15.00 to 15.49	20.52
15.50 to 15.99	20.66
16.00 and over	20.80

For rough turning journals and wheelseats,	$1.25 per ton extra.
For rough turning all over,	2.50 per ton extra.
For axles weighing 600 ℔ and heavier,	2.00 per ton extra.
For heavy P. R. R. axles, and axles subject to P. R. R. or similar specifications rough turned all over,	$10.00 per ton extra.

"Upon the foregoing conditions, it is further mutually agreed between the parties hereto, as follows:—

"First: The prices contemplated by this contract for above materials shall be fixed for each three (3) months' period beginning with the date hereof, and shall be determined

according to the above table from the average market price of standard Bessemer Pig Iron, free on board cars at Pittsburg, for the next preceding three (3) months; the average market price of Pig Iron for each month to be ascertained and from these monthly prices the average price for the three months ascertained. The average monthly price shall be agreed upon in writing within one week from the end of each month, and the average price for the three months shall be agreed upon in writing within one week from the end of the third month.

In case the parties hereto cannot mutually agree, and reduce said agreement to writing within said time, upon the average price of Pig Iron, it shall be referred to Albert H. Childs as arbitrator. Written notice to Mr. Childs by either party, of the failure to agree upon said prices within said times, shall be all that is necessary to invoke Mr. Childs' power hereunder, and the decision of Mr. Childs as to price or prices shall be final and conclusive upon all the parties.

"It is also mutually agreed that any other differences arising under this contract, whether in respect to its interpretation, the manner of its execution, or any rights of either party thereunder, will also be referred to Mr. Albert H. Childs, whose decision shall be final and binding upon both parties. In case of the inability of said Albert H. Childs to act as Arbitrator, each of the parties to this agreement shall select a person of experience in the iron and steel trade. In case of their failure to agree, the two persons thus selected shall select a third person, whose decision shall be final and binding upon both parties.

"Second: settlements shall be made on or before the twentieth of each month for shipments of the preceding calendar month by the Buyers, in cash or in their notes at ninety days from average date of such shipment, with interest at the rate of five (5) per cent, per annum.

"Third: The Buyers shall advise Sellers promptly in writing of each bid made by them, for any construction into which above material may enter, by nimber, (sic) and the approximate tonnage and character of materials covered by such. The Buyers shall also advise Sellers in Writing im-

mediately on receipt of notice of acceptance of such bids. The prices fixed by this contract as of the date written notice of such bid is received by Sellers, shall govern the sale of such material.

"The buyers shall place orders for such materials in detail with Sellers as promptly as they can be written up after the sales are closed by Buyers, specifying the month or months for delivery, and shipment shall be made in consecutive order in accordance with such specifications. Should unreasonable delays occur on the part of the Sellers in making deliveries, the privilege is extended to the Buyers of cancelling the unshipped portions of such delayed orders.

"Fourth: notwithstanding any previous provisions of this contract, the total quantity of material Sellers shall be required to deliver in each month shall not be more than Five thousand tons. And, in case the Buyers require more than the above maximum quantity of material in any one month, the Sellers are hereby given the option of furnishing such excess at the prices and upon the terms and conditions fixed in this contract.

"Fifth: strikes, differences with workmen, or other contingencies beyond the control of the respective parties hereto, shall be sufficient excuse to either party for failure to make or accept deliveries under this contract during the continuance of such contingency; but, upon its removal, this contract shall be resumed without any extension by reason of such suspension.

"Sixth: it is a condition of this contract that the Buyers shall not re-sell any of the material furnished hereunder, without first putting it through a process of manufacture.

"Seventh: it is further agreed that the Buyers are to notify the Sellers from time to time, of any contemplated increase in their plant or plants, which would involve larger demand for material from the Sellers.

"Eighth: no minimum quantity of material to be taken by the Buyers is specified in this Contract, because the contract providing as it does for all Buyers' requirements, it is not intended that they shall be required to take material for which they have no use.

"On the other hand, however, if conditions should arise under which Buyers fail for two or more months to take at least Four Thousand (4,000) tons per month, the Sellers shall have the right to sell the output of their Mills to other parties without liability to the Buyers for inability to fill their orders in full until after deliveries shall have been completed to the third parties to whom said materials shall have been sold. Nor shall such failure on Sellers' part to fill Buyers' orders under such circumstances be cause for avoiding this contract by Buyers.

"All of the provisions of this contract shall apply to the successors, or assigns succeeding to the business, of each of the parties hereto."

MR. PEACOCK: "The American Car & Foundry Company is a consolidation of all the Wooden Car Builders, excepting the Pullman Company. It is controlled by the same people who control the Pressed Steel Car Company, and may possibly be consolidated with the latter. This Contract is really a part of the deal with the Pressed Steel Car Company."

On motion, (Phipps and Morrison), the execution of this contract was authorized; the vote being unanimous and all present concurring.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 10:00 A. M., Monday, February 20, 1899, there were present MM. FRICK (Chairman), PEACOCK, PHIPPS, CLEMSON, MORRISON, GAYLEY and LOVEJOY (Secretary); also MR. GEORGE LAUDER.

* * *

MR. FRICK: "Based on the Minutes of last Tuesday and the statement given above, Mr. Carnegie wrote giving his views."

The letter was read, as follows:—

"En Route, February 17th, 1899.

"MINUTES.

"UNION IRON MILLS LEASE.

"Hope owners will not be spoken to until I can give my reasons. We are all right there. I was right before on this.

"BRIDGE COMPANY PROPOSED AGREEMENT.

"I suggested that Plates be at sliding scale same as others, Car Company and Schoen, instead of prevailing market price. Think for a term of years former better for us.

"PIG.

"Surely Lovejoy is right. To keep up price, we ought to buy a little from time to time. Every purchase, even of 5,000 tons, will tend to strengthen market, especially as market will not know the extent of our purchases. It is enough that we are in the market for Pig to make a decided effect. Don't think we ought to assume running as full as now, during next winter. Very unlikely, I think. Should not buy Pig for *winter* in any year. Besides our object is not to buy what little Pig we may need *cheap* but to get it high. Think 50,000 tons on hand surplus enough, but if not, then think we ought to be, as it were, continually buying small lots, *the higher the better.*

"Lovejoy mark up one—'buy a little currently'—a good phrase. He will get a record by and by as a business man in addition to being a great auditor. Morrison, Gayley and Lawrence furthest out this time. Clemson, Lauder, and the Squire not so very far from Lovejoy. Chairman off on 75,000 tons purchase. Should not be over 5,000 or 10,000 any month.

"Don't believe President isn't right on steel cars, but we should make all its parts. Not much 'Labor' in them, as we shall make them from rolled shapes."

* * *

MR. FRICK: "From present indications, we will soon see Pig Iron selling at about the same rate as our net proceeds of

Rails. Part of our object has been accomplished; the price of Pig Iron has been advanced to $12.00 Valley, but we should get our requirements of Pig Iron, and, at the same time, get the price of Pig Iron up so as to get the benefit of the price on Billets.

"To build a Furnace to relieve our necessities this year is out of the question. Through my connection with The Union Trust Company, I have learned that the lease of the Moorhead "Soho" Furnace will expire July 1st. We are promised the refusal of this lease, and will have, in a day or two, the rate of rental as well as the price at which we can purchase the property. I do not think we should buy, but it might be well to lease the Furnace. The furnace has been operated by Laughlins & Company. W. P. Snyder made the lease for them. I will follow this up, and bring it before the Board probably some day this week."

MR. LAUDER: "We should at least get an option on it."

MR. FRICK: "If we take that Furnace, it would put Jones & Laughlins in the market for Pig Iron, advancing the price, which is what we want."

* * *

MR. PEACOCK: * * * "I would report that we have closed with the Pressed Steel Car Company the Contract submitted to the Board last Tuesday, without the change of a single word.

"The other Contract with the American Car & Foundry Company was held over because that Company has no legal existence as yet, but it will be signed."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Asociation, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, February 21, 1899, there were present MM. FRICK (Chairman), PEACOCK, PHIPPS, CLEMSON, GAYLEY, MORRISON and LOVEJOY (Secretary); also MM. GEORGE LAUDER and H. P. BOPE.

* * *

MR. FRICK: I have a letter from Andrew Carnegie, written February 11th, but not received until February 15th, all mails having been delayed during that week."

The letter was read, as follows:—

I promised to write my views.

"The various combinations tend to make one or more stronger competitors. The National Company, for instance, from ore to a finished product. One move ahead ought to be to articles ready for use finished.

"Steel Cars—Pipe, two big fields for this. Bridges etc., also, but not so good because every order different. Our Bridge Works being poor would sell as per proposed contract, 2 M.

"*Pipe*—I should certainly and at once put that idea in charge Committee, Clemson, Chairman. I have not heard of anything which strikes me so favorably—from ore to pipe—keeping small stock on hand each size, would be hard to beat.

"*Steel Cars*—Unreasonable to ask the pioneer to abandon his child. It is the follower, not the originator, who should do so if necessary, but my opinion is no one concern can monopolize this business if it be what we believe we can make it at Schwab's figures, even wooden cars carrying 50 tons would not be cheaper. It is a sure thing if we go into the business. At Schoen's cost, or anything like it, field is restricted. I hold that it is the best for Schoen we should go into the business because our doing so will give them a friendly interest against a competitive concern. They can tie us to co-operate—divide business—sell only upon joint conference, etc., etc.—We can give them sliding scale on material which would ensure them cheaper material, or certainly as cheap as if they attempted to manufacture.

"If they contract with another Steel concern, this brings them the C. S. Co. as their competitor. It doesn't rid them of our being in the business, but gives them a competitor, when by contracting with us, *which they can do upon as favorable terms as with any other Steel Company* they have a co-operating party—one-half they have at least a price they can fix. Now if I were to decide for myself, I should stand upon this ground and take the consequences. No prudent, wise

business man in Schoen Company could fail to see the true policy for them, viz., alliance with us upon best terms possible. If necessary, I should make prices lower than proposed to effect this alliance, but as to our giving up the Steel Car which we have introduced to the world, *No sir,* Never. If we say so, I know the result will be as I indicate, *acceptance* of our proposal, but if not, no mourning for me. The responsibility would be theirs for no Arbitrators, no fair man would for a moment decide that the originator, and first builder of Steel Cars, should be asked to abandon his idea as the price of alliance with the only party who has adopted it. It isn't business. It is unreasonable, and it is absurd.

"In all this I give only my views. I am not managing the business. If the Board decide otherwise, I shall have nothing to say and no reflection to cast on any one. I think that prestige means dollars and even on the dollar platform I think giving up our own idea will cost us dollars.

"But I would do it if I saw dollars in it. It is insulting to ask it.

"The contract as proposed giving us right to terminate on a year's notice being only a postponement is the utmost I would agree to. We are still free. But it will cost us money. Plates at $11.00 Pig basis means $3 or $4 per ton loss for a while. This, however, is only dollars and we should still have a profit.

"We should see further ahead in a year. If we postpone for a year, Pipe should be pushed in place of cars.

"If Schoen rejects one year notice, let us push Car Works."

MR. FRICK: I would appoint MM. Clemson and Moreland as a Committee to investigate the making of Steel Pipe, taking up all questions connected with it that would be of interest to the Board."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, March 7, 1899, there were present MM. FRICK (Chairman), PEACOCK, PHIPPS, CLEMSON, GAYLEY, MORRISON, WIGHTMAN and LOVEJOY (Secretary); also MR. GEORGE LAUDER. (MM. SCHWAB and SINGER abroad; MR. CURRY in Pasadena).

* * *

"The summary of important sales from January 1st to February 28th, 1899, inclusive, is as follows:

Net tons.	Material.		Average Price per lb.	Average Price net ton.
101,549	Struc'l & Ship	—Domestic,	1.222c.	$24.44
8,539	Struc'l & Ship	—Canadian,	1.089	21.78
17,964	Struc'l & Ship	— Foreign,	.954	19.08
29,837	Plates	—Domestic,	1.298	25.96
1,173	Nickel Steel Plates	—Domestic,	3.54	70.80
1,700	Plates	—Canadian,	1.341	26.82
1,384	Plates	— Foreign,	1.178	23.56
7,646	Bars	—Domestic,	1.219	24.38
921	Bars	—Canadian,	1.108	22.16
2,018	Bars	— Foreign,	1.003	20.05
3,705	O. H. Axles	—Domestic,	1.695	33.90
176,436	=TOTAL NET TONS.			

Gross Tons.	Material.		Average Price Gross Ton.
8,730	Ferro Manganese	—Domestic,	$49.04
65,835	Billets & Slabs	—Domestic,	16.36
200	Billets & Slabs	—Foreign,	15.34
7,070	Sheet Bars	—Domestic,	15.54
28,830	Pig Iron	—Domestic,	10.87
11,816	Scrap	—Domestic,	12.08
700	20% Spiegel	—Domestic,	23.26

212,969	Standard Rails—1sts	—Domestic,	16.73
32,200	Standard Rails—1sts	—Canadian,	16.36
10,251	Standard Rails—2nds	—Domestic,	16.02
750	Standard Rails—2nds	—Canadian,	15.69
4,536	Light Rails	—Domestic,	16.85
3,197	Light Rails	—Foreign,	18.12
8,470	Splice Bars	—Domestic,	21.46
2,382	Splice Bars	—Canadian,	21.33
569	Splice Bars	—Foreign,	21.48
409,750	TOTAL GROSS TONS.		
586,186	GRAND TOTAL TONS.		

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, March 14, 1899, there were present MM. FRICK (Chairman), PEACOCK, CLEMSON, WIGHTMAN, MORRISON, GAYLEY and LOVEJOY (Secretary); also MM. GEORGE LAUDER, and W. W. BLACKBURN. (Mr. SCHWAB en route London to New York; MR. PHIPPS in St. Augustine).

* * *

MR. PEACOCK: "In the matter of the withdrawal of prices on Ship Material given the Newport News Shipbuilding Company and the Union Iron Works:—

"The action of Congress limits construction to 6 small Cruisers, and I doubt if either of these Companies will get more than 1. The maximum tonnage involved for both would be 4,5,000 (sic) tons. I do not think it would be good policy to withdraw the prices, in view of this fact. If we insist, I think the Provisional Contract could be cancelled, provided we would guarantee the new prices that we named, but I do not think we should ask it. The prices are as good as the present Pool prices, excepting as to Plates."

MR. FRICK: "As the tonnage is small, I am inclined to agree with the Vice President, and think it would not be good policy to withdraw. Ship-building is a business we want to encourage.

"The matter may still be left in the hands of the Vice President."

To this there was no objection.

The following communication from Andrew Carnegie, to the First Vice President, dated at Dungeness, March 5th, was read:—

* * *

"I note proposed Pipe Combine, which I hope is to go through. We want to play independent producer there, but should keep the matter very quiet.

* * *

MR. LAUDER: * * * "We should not lose sight of the very strong position we are in as to Ore. We control the Ore situation, and that will be a great factor in the Iron market."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, March 21, 1899, there were present MM. FRICK (Chairman), SCHWAB, PEACOCK, CLEMSON, WIGHTMAN, GAYLEY, MORRISON and LOVEJOY (Secretary); also MM. GEORGE LAUDER and W. W. BLACKBURN. MR. CURRY at Pasadena; MR. PHIPPS in Florida).

* * *

The following communication from Pilling & Crane, to Mr. Gayley, dated March 16th, was read as follows:—

"We had an interview with Mr. Thropp this afternoon, and he has agreed to leave his offer for Bessemer Iron open for your decision before Tuesday evening. He makes a change, however, in the meantime, and wishes it to be for not less than forty thousand (40,000) tons of iron, at price of Twelve dollars and seventy-five cents ($12.75) per ton of 2240 lbs., at Everett, Pa., to be made from your ores at the prices named, shipments beginning some time in August, and to be made at the rate of five thousand (5,000) to six thousand (6,000) tons per month, as produced."

MR. SCHWAB: "This is really a question of policy—whether we had better save our Ore and buy Pig Iron, or make the arrangement proposed for the conversion of our Ore into Iron.

"After discussing this with Mr. Gayley, however, we have decided to recommend, and I would move that we accept this proposition, to the extent of 20,000 or 30,000 tons."

MR. FRICK: "Is Mr. Thropp responsible?"

MR. GAYLEY: "I understand so—he is making and shipping Iron. In drawing up the Agreement, if made, we will be careful to provide that all the Ore sent will be accounted for to us either as Pig Iron, or paid for at a rate of $1.00 per ton higher than we furnish it for our own Iron. We will have 25 cents a ton on the Ore. Mr. McCague estimates the freight will be 75 cents from Everett."

MR. FRICK: "Suppose the matter be left in the hands of the Officers, with full power to act."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, April 4, 1899, there were present: MM. FRICK (Chairman), SCHWAB, PEACOCK, CLEMSON, MORRISON and LOVEJOY (Secretary); also MM. GEORGE LAUDER and W. W. BLACKBURN. (MR. CURRY en route from California; MR. PHIPPS at Augusta; MR. GAYLEY ill at home; MR. WIGHTMAN resigned, but resignation held over.)

The Minutes of the Meeting of the Board of Managers held March 28, 1899, were read, and, on motion, approved.

The following communications from Mr. Andrew Carnegie, to the President, dated March 29th, were read:

"Mr. Gayley shows that we shall use 300,000 tons of Pig Iron more than we can make if Works are pressed as now. In the first place, it is not likely that they will be as a rule. Secondly, it is not a bad position for us to be in the market for 25,000 tons of Pig per month sometimes, as this tends to keep up prices. Nevertheless I have been thinking that the engines ordered for Morrison may be used for additional Furnaces. I take it that Gayley has allowed for the increased Pig Iron production that you expect at Edgar Thomson and Duquesne from improvements.

"The Sales Department should be instructed to keep a sharp lookout for important work requiring time to finish. Any big contracts that would not require much material till early winter, for instance, should be taken, or bid for at prices that will take them.

"By the way, I am sure the Chairman will be keeping his eye on Soho. It might happen that we should see our way to clear the cost of the property before this boom is over, or if it cannot be sold that we can afford to give a high royalty on the Pig Iron made for a lease of it.

"I shall not get out for some time now. Today I was out for the first time driving in the park and am myself again, able to attend to work, etc."

* * *

A communication from Mr. Andrew Carnegie, to the President, dated March 30th, and referring to the proposed Agreement with the Consolidated Bridge Companies, marked by Mr. Carnegie "Not for Minutes," was read, and had the attention of the Board.

Mr. Schwab: "I replied to Mr. Carnegie that we had made the Bridge people a proposition which he had approved,

and that while this proposition was good only until March 20th, and had expired, I favored taking it up again on substantially the same basis. We could not consistently make much change in that proposition, if we renew it at all. The Bridge people really do not ask any change, excepting as to the tonnage of Plates—they ask that they be bound for only 50%. We have been furnishing only an average of 31% of the Plates used. We have been furnishing only 27% of the Bars, and expect, under this proposition, to furnish 50%. We gain on both these items; but the main thing was to get rid of the Keystone Bridge Works at a good price. The matter still rests, and we will report to the Board any further developments."

MR. FRICK: "Referring to Mr. Carnegie's remark about the Soho Furnace:—They are getting the Furnace in shape to sell, and are not willing to lease."

MR. LAUDER: "In view of the Sheet Mill Combination, it will probably go for a high price."

MR. SCHWAB: "Their Sheet Mill is not worth running."

* * *

"The summary of important sales from January 1st to March 31st, 1899, inclusive, is as follows:

Net Tons.	Material.		Average Price per Lb.	Average Price per Ton.
148,338	Structural & Ship	—Domestic,	1.246 c.	$24.92
8,539	Structural & Ship	—Canadian,	1.089	21.78
19,632	Structural & Ship	—Foreign,	.97	19.39
46,217	Plates	—Domestic,	1.396	27.91
1,173	Nickel Steel Plate	—Domestic,	3.54	70.80
1,700	Plates	—Canadian,	1.341	26.82
1,394	Plates	—Foreign,	1.18	23.60
9,311	Bars	—Domestic,	1.227	24.53
921	Bars	—Canadian,	1.108	22.16
2,308	Bars	—Foreign,	1.009	20.18
5,034	O. H. Axles	—Domestic,	1.894	37.88

244,567—TOTAL NET TONS.

Gross Tons.	Material.		Average Price Gross Ton.
10,320	Ferro Manganese	—Domestic,	$50.68
68,715	Billets & Slabs	—Domestic,	16.36
200	Billets & Slabs	—Foreign,	15.34
7,760	Sheet Bars	—Domestic,	15.46
28,830	Pig Iron	—Domestic,	10.87
14,116	Scrap	—Domestic,	12.45
300	Scrap	—Canadian,	14.50
700	20% Spiegel	—Domestic,	23.26
24,737	Standard Rails—1sts	—Domestic,	16.99
32,200	Standard Rails—1sts	—Canadian,	16.36
10,251	Standard Rails—1sts	—Foreign,	15.39
13,300	Standard Rails—2nds	—Domestic,	16.67
750	Standard Rails—2nds	—Canadian,	15.69
4,860	Light Rails	—Domestic,	17.33
3,197	Light Rails	—Foreign,	18.12
9,218	Splice Bars	—Domestic,	21.85
2,382	Splice Bars	—Canadian,	21.33
569	Splice Bars	—Foreign,	21.48

432,325—Total Gross Tons.
576,892—Grand Total Tons.

Mr. Schwab: (In reply to Mr. Lauder):

"We carry over from the first quarter into the second a Billet tonnage of 15,000 on sliding scale contracts, and 50,000 on fixed sales."

Mr. Clemson: "Mr. Moreland and I have visited several Pipe Mills, and expect to have our report ready for the next Board Meeting."

* * *

At a Meeting of the Board of Managers of

The Carnegie Steel Company, Limited,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, April 18, 1899, there were present: MM. Frick (Chairman), Schwab, Curry,

PHIPPS, MORRISON, CLEMSON, GAYLEY and LOVEJOY (Secretary); also Mr. H. P. BOPE. (MR. PEACOCK at Old Point Comfort.)

* * *

MM. CLEMSON and MORELAND submitted the following report:

"This Committee visited the Works of the

Chester Tube & Pipe Co., Chester, Pa.;
Pennsylvania Tube Works Co., Pittsburg, Pa.;
National Tube Works Co., McKeesport, Pa.;

having selected these Works for the reason that they are reputed to be the three strongest Companies operating today, and if they are not such, our visits gave us an opportunity to see Pipe manufactured in all sizes and qualities.

"In the making of this report, we have to depend largely upon observation, as Pipe and Tube Manufacturers keep all information concerning their Plants and Products to themselves. There are no general statistics issued that we know of, beyond those reported 7th February last by Chairman of this Committee. Upon application to Bradstreets, they had nothing respecting the various Companies on their records, and informed us, after endeavoring to collect some data, that they could get little or no information from any of the Companies in the business.

"We shall recite the main points in Pipe making: heating, pulling or rolling and threading of pipe, and making of couplers. Butt weld pipe is heated but once and is pulled through a bell or die and then sent to shears and threaders. Butt weld pipe is now made up to 4 inches. For Lap weld pipe, plates are heated twice: first, to bend, and second, to weld. Bending is done by pulling through a bending die or by side rolling, depending upon size; if very large, it is rolled into shape and then transferred to welding furnace and put under greater heat and rolled. As soon as rolled, it is sent to shears and then to threaders.

"There is nothing complicated about Bending and Welding Furnaces, and the difference between a Bending and Welding Furnace is only in amount of heat. All of the machinery

is light, except pulling or rolling machinery at furnaces, but there is much small machinery. For example, it takes a dozen cutters and threaders to take care of the output of one furnace.

"National Tube Works and Riverside Iron Works work exclusively with Bessemer Steel. The others have a mixed product of Wrought Iron and Steel, Bessemer and Basic. One of the greatest troubles with Pipe at present time is quality, and anyone going into the business should take their stand on quality, and they will win against the present producers.

"Chester has the best managed Plant, makes the best pipe, and has the best reputation in the trade. Most of their product is iron. The Manager has at times rolled Steel. Has used both Bessemer and Open Hearth; prefers Basic Open Hearth, if made properly. He stated quite emphatically that he did not have much success with our Open Hearth Steel, because it was not made with care. Chester runs practically all the time, and keeps in stock from $400,000 to $600,000 worth of pipe of standard weight and sizes. They stock their pipe by gravity. They have no modern improvements in machinery and methods.

"Pennsylvania has a more modern Mill than Chester, but they have little or no room in which to work. They also keep a large stock of pipe.

"National has a more modern plant than the first two referred to, and produces a greater tonnage. They are handicapped in their work by not having sufficient room. Their stock cannot be easily or readily handled. They have more machinery, and in many respects are better fitted than the two Mills referred to above. The Manager prefers their Bessemer Steel to our Open Hearth. He says the Open Hearth is all very well, but would have to be made specially for the purpose. The National is the largest Steel Pipe Producer in the country.

"We saw at Pennsylvania Works the Buhl Basic Steel being heated, rolled and threaded. It seemed to work nicely, and the Manager said it gave them no trouble at all. It is fair to say that generally the remarks were favorable to Basic Open Hearth Steel Pipe, the exception being that it would have to be made more uniform in quality than it has

been made in the past with iron. Manager of Chester was positive in his statement that Basic Steel would make practically as good pipe as iron, and he felt sure that by use of steel, the product could be increased very materially, and, as a sequence, be made cheaper than iron.

"The market for pipe is not a fixed one as to sizes. The Standard Oil Company is the largest buyer in the United States, purchasing annually 200,000 tons, and the greater portion of their tonnage is over 2 inches, used largely in building oil and gas transportation lines. A part of their tonnage, of course, is used at wells. The Standard is operating a great many gas wells in Pennsylvania, New York and Ohio, piping gas to small towns. Chester, Pennsylvania, and Oil City supply their pipe. The National informed us that they did not sell any pipe to the Standard.

"We were told that the market for pipe was mostly in the West—Western Pennsylvania, New York, Ohio and West Virginia. The product of pipe and tubes is about 1,100,000 tons; we would say 100,000 tons of tubes of special quality, and 1,000,000 tons used for oil, gas, water and steam. Not less than 500,000 tons is over 3 inches. The Standard taking 200,000 tons annually leaves 800,000 tons for the general market. Pipe, as is well known, is used in almost every business. The largest sizes, however, are used for oil, gas and water. After we have passed the large customers, who are mainly construction people, the market is general, and would have to be looked after very carefully in the selling.

"We asked all the parties that we visited why they made the smaller sizes of pipe, and they stated that they had to do it so that they could take orders for the large sizes, and also for the reason that they wanted to run steadily and they did not see any way to do it unless they made small pipe as well as large.

"Our opinion is, that with a modern plant and Basic Steel, sufficient tonnage of pipe of sizes 2 inches and over could be secured to run a mill steadily with a capacity of 20,000 tons per month. A new Mill should have an annual output of over 240,000 tons, making practically 50% of the large pipe, to become a factor in the pipe business. If the

order of the Standard Oil Company, the best and largest buyer, was secured, success would be assured.

"We give the following cost figures, which include all expenses, excepting interest on Investment:

Butt weld,	⅛ inch,	$26.80 per ton.
do	¾ "	18.94 "
do	½ "	11.59 "
do	1 "	5.89 "
do	2 "	5.80 "
Lap weld,	2 "	8.40 "
do	2½ "	6.09 "
do	3 "	6.09 "
do	4 "	6.09 "
do	6 "	6.50 "

"These figures are from Ohio and take the run of the Mill for a year, covering all specifications, and particularly variations in weights. Nearly all small sized pipe at present time is Butt weld, except at Chester; they make Lap weld down to 1½ inches, as low as they can get; they seldom make anything below 2 inches.

"All parties that we have talked to say that the average Cost of Manufacturing Pipe, taking the output as a whole, is $10.00 per ton. This can very readily be beaten with a modern Plant. The cost steadily decreases from 1 inch to 8 inches, but for the larger sizes it increases a little on account of added expense in giving it two welding heats and trouble in cutting threads. Of course for all such work an increase in price is received.

"In report of the 7th of February, heretofore referred to, cost of building a Plant with an estimated capacity of 20,000 tons per month, was put at $1,000,000.00. We have had this confirmed. Consulted with Miller Bros. & Co., Furnace Builders, Tradesmen's Building, Pittsburg, and McGill & Co., Machinists, 27th & Smallman streets, Pittsburg, and the latter has addressed to us the following letter:—

"We herewith give you an estimate of cost of Lap Weld Plant, consisting of One Welding and One Bending Furnace, with necessary machinery:

One Building 80'x220', about 24' to truss to Contain complete Lap Weld Plant	$9,000.00
One Building 50'x220' for Socket & Machine Shop	6,000.00
One Boiler House 40'x50'	1,000.00
One Producer House 40'x50'	1,000.00
Boilers, about 500 HP, set in place with Chimneys	6,000.00
Boiler Feed Pump & Heater, Water Pump, Separators, Pipes and Valves	2,500.00
One Iron Water Tank set on top of structure, with oil and oil drainage tanks below	2,500.00
Two storage Tanks for Fuel Oil for Socket Shop	3,500.00
One 60 Ton Railroad Scale, and 3 Scales for Narrow Gauge Track	1,150.00
Narrow Gauge Tracks, Switches, etc	1,000.00
Electric Light Plant	3,000.00
Machine Ship Equipment, including 3 Lathes, 2 Shaping Machines, 2 Drill Presses, 1 Planer and 1 Milling Machine and Roll Lathe	8,000.00
50 Tracks for Lap Weld Mill	1,000.00
Engines.	
One 18"x24" Engine for Lap Weld Machinery	1,600.00
One 11"x18" Engine for Draw Bench	700.00
One 11"x18" Engine for Socket Shop	700.00
One 16"x24" Engine for Threading Floor	1,200.00
One 11"x18" Engine for Machine Shop	700.00
One 16"x2"x18" Double Acting Test Pump	900.00
One 12" Accumulator	600.00
One Pump for Accumulator	700.00
Furnaces:	
One Bending Furnace and One Welding Furnace with Gas Producers, Gas Flues & Chimneys	14,000.00
Lap Weld Machinery:	
Hot Scarfing Machinery, Table & Rolls	2,000.00
Draw Bench with Bending Dies, Charger & Pusher	4,000.00

Welding Machinery, 8 sets Rolls	4,500.00
Bar Puller	600.00
Sizing Machinery, 8 sets Rolls	2,500.00
Cross Rolls	1,500.00
Cooling Rack	1,200.00
Troughs, etc., for handling	1,000.00
Gears, Shafting & Pillow Blocks	4,000.00
Cold Straightening Machine	1,500.00
FINISHING DEPARTMENT:	
Ten Threading Machines, 2" to 8"	7,000.00
30 sets Dies	3,000.00
One Testing Machine	800.00
Shafting & Belting & Piping for oil and water	1,500.00
SOCKET SHOP:	
One Coupling making Machine, complete with Engine	6,000.00
One Siemen's Furnace for coupling machine	2,500.00
One Shear for coupling iron	1,000.00
One Burring Machine	300.00
One Double-headed Lathe	900.00
One Tapering Machine	800.00
One Large Tapping Machine	2,500.00
One Medium Tapping Machine	1,000.00
Taps, Shafting & Belting, Blacksmith Tools, etc.	1,500.00
Foundations and Floor Plates	8,000.00
"'This makes a Total Cost of	$127,350.00

"'The Total Cost, if building a single furnace, would not run over $135,000.00, while if a Plant of several Furnaces were installed, the cost would be much less, because of the fact that much of the Plant here specified would not need to be duplicated on the second furnace. We do not give you a detailed estimate of cost of a Butt Weld Plant, but one furnace can be built complete, with machinery and buildings, for $80,000.00.

"The Lap Weld Plant specified above would have a capacity per day of 22 hours, of about 80 tons of 2" pipe, or 130 tons of 4" pipe, or 100 tons of 8" pipe.

"'The Butt Weld Plant would have a capacity of from 20 to 80 tons per day of 22 hours.'"

"McGill stated verbally, when handing in this letter, that a very fine Plant could be built for $1,000,000.00 and that, based upon their present estimate for one furnace, they thought, with closer figuring, a Plant with a tonnage of 20,000 tons per month could be built for $800,000.00. They stated that it would take 9 months to complete a Plant of this size. A Plant, such as above described, will require for stock 40 acres of land. A great deal of room is required for stock plate and for the stocking of pipe. If the Carnegie Company decides to go into the Pipe business, they can undoubtedly take the best trade as in other things, and there is no question about their being able to make pipe cheaper than any one who is in the business at the present time. Excepting National and Riverside, other Mills have to buy their skelp. If the order of Standard Oil Company alone was secured, we could launch into business and be immediately at the top. The Standard may have interests in Oil City, Pennsylvania and Chester, that would incline them to place their orders with these people, but we hardly think that, if we would name a good price, their connection with Pennsylvania and Chester is close enough to preclude our doing business with them.

"In conclusion, we would say that in ordinary times the present Mills can produce more pipe than the domestic trade demands, and for this reason a considerable export business has been done. We do not think that the average state of the pipe business requires the building of another Works of the magnitude we propose, but one can be built to manufacture cheaper than those now operating; and if builded on modern lines, and makes a product more uniform in quality than the present makers, and the product is sold at even figures with them, it will make a very good return upon investment. We do not think there is any possible question on this point. We

do not know of any business that we are not already in, or have not already canvassed, that will give our Company as good an opportunity to go into the manufacture of a finished article, and particularly one that will use up as much tonnage."

MR. SCHWAB: "MM. Clemson and Moreland's report on Pipe Manufacture is most interesting. We could undoubtedly build a Pipe manufacturing establishment that would far surpass anything now in use, but it would require a much larger investment than the Committee contemplates, say $2,500,000 to $3,000,000.

"The plan would be not to depend on any Mills we now have for the supply of Plates for Pipe, but to build an Open Hearth Plant and Plate Rolling Mills especially designed for this purpose in conjunction with a pipe manufacturing plant.

"To make Pipe Steel uniformly and successfully an Open Hearth Furnace Plant should be especially designed for this purpose and run exclusively on that class of steel. Mills could then be designed for rolling Plates that would do it very much cheaper than anything we now have because they could be designed for a special output and arrangements made accordingly. Our experience has always shown that where machinery is devised to roll exclusively on one kind of material, it can be arranged to do so much cheaper than Mills making a greater variety of materials.

"Besides all this, the general arrangements of Furnaces, Mills and Pipe Plant could be made so convenient as to very much reduce the cost of manufacture.

"I am heartily in favor of this line of business but not at this time. Next year, perhaps, when we have the large improvements, now under way, well completed and in operation we should take up this question. In the meantime, I believe we should go ahead outlining plans and securing data to save time when we go into the business. The Pipe business on this basis could be made very profitable.

"(In reply to the CHAIRMAN):

"We ought to have 200 acres for such a Plant, at least 150."

MR. GAYLEY: "It is a good business to look forward to."

MR. BOPE: "If we build simply a Pipe Works, we could not take care of it under present market conditions. We could not suply the Plates."

MR. CLEMSON: "As originally taken up, our thought was to add a Department which would turn part of our Product into more highly finished material, helping us out in dull times. The Committee considered the matter, and made the report on that basis. As considered by the President, however, it is a very different proposition, and should be carefully considered before taking any steps."

MR. MORRISON: "If we go into the business, we should go into it right. We would not have much advantage over the others, unless our Plant were complete and the very best in all respects."

MR. LOVEJOY: "It is a good thing to think over, but should be considered very carefully before we add to our Steel making capacity. It was taken up only as a Finishing Mill."

MR. PHIPPS: "We have so much on hand just now, we should not decide to go into it immediately, and should give it very careful consideration. We have sold largely to the Pipe Makers and may lose some of this custom if we go into the business ourselves. If the time comes, however, and we agree to go into the Pipe business, I think with the President that we should go into it right."

MR. CURRY: "We should not go into the Pipe business unless we are very clear we can manufacture more cheaply than the others now in the business. In view of Mr. Schwab's statement as to the expenditure involved, I think we should not go into it just now."

MR. FRICK: "That is the way to look at it; if we go into it at all, we should do it right. We should also be assured of a market. A sliding scale Contract might be made with the Standard Oil Company. Anyway we should not go into it this year; we have so much on hand, and are so busy.

"In this connection, I have a letter from Mr. Henry Phipps."

The same was read, as follows:

"May I make a few remarks when you are discussing the Pipe making project:

"It is a line with which we have no acquaintance, and all will admit knowledge is a good equipment.

"Already Pipe making is a crowded business, with plenty of capital and men of ability and experience in it who will not be easily pushed aside.

"That a low cost has been reached is shown by their goods going to all parts of the world; conclusive proof to my mind that the margin to strike is not a large one. The undertaking means a large investment, not only in the Plant proper but in the Mills needed to supply it. We have much to learn, and with the present conditions but little time. The objections to embarking in a large and new business are many and important. Material and machinery are dear and hard to get —much delay will occur. Perhaps 25% would not cover enhanced cost. Four or five years interest thus lost. Labor is liable to further advance.

"Let us develop what we now have, and we can increase all we want, and in a business of which we are masters, and no grouping (sic) in the dark, such as a new venture would involve. Why then hasten; why look beyond our own business. Surely the improvements going on should content us. The President and Staff have all they can do in justice to themselves and the firm—two of the Managers now ill from overwork. The President, under the strain, has all he can do to keep well. If he had nothing else than to build the Pipe Works, with its adjuncts, and create a new business, it would be quite enough for a year to tax his whole time and strength.

"In every direction new developments of magnitude and importance, such as never before known, are taking place. It is best to watch and wait, and see the results that are fast approaching.

"For these and other good reasons, I beg you to postpone any action till at least next January, when a fuller consideration can be had."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 2:30 P. M., Wednesday, April 26, 1899, there were present MM. FRICK (Chairman), SCHWAB, CURRY, PEACOCK, PHIPPS, GAYLEY, MORRISON, CLEMSON and LOVEJOY (Secretary); also MM. GEORGE LAUDER and W. H. SINGER.

The following Agreement was read:—

"The first party to this agreement made this 24th day of April, A. D., 1899, is ANDREW CARNEGIE, and the second parties are H. C. FRICK and HENRY PHIPPS, JR., and between them it is agreed, as follows:

"If the second parties deposit with The Carnegie Steel Company, Limited, within Ten (10) days of the date of this Agreement One Million, one hundred and seventy thousand Dollars to the credit of the first party, this instrument shall become an option for ninety (90) days from the date of the said deposit, to the second parties, or their assigns, to purchase first party's stock, interests, shares and holdings in whatsoever form, or in whosoever's name they may stand in The Carnegie Steel Company, Limited, the H. C. Frick Coke Company, and all Companies, organizations or properties of every nature and description allied to or connected with the said Companies, on the following basis and terms:

a. AS TO THE CARNEGIE STEEL CO., LIMITED, INTERESTS.

This shall be upon the basis of Two hundred and fifty million Dollars ($250,000,000.00) for the entire ownerships of first party and associate owners and interests in all of the properties and assets of The Carnegie Steel Company, Limited, except its holdings in the stock of the H. C. Frick Coke Company, and allied interests, namely: about thirty (30) per cent of the whole of the said H. C. Frick Coke Company interests the said second parties may take first party's interest on the basis of Seventy Million of Dollars ($70,000,000.00) for

the whole of the said H. C. Frick Coke Company properties and allied interests.

b. As to First Party's Individual Holdings of Stock in the H. C. Frick Coke Co., and Allied Interests.

"This shall be upon the basis of Seventy million of Dollars for the entire property and assets of the H. C. Frick Coke Company, of which stock the holdings of the said first party is about twenty-five (25) per cent of the whole.

"Otherwise expressed, the first party shall sell to the second parties, or their assigns, within ninety days as aforesaid, his entire interests, stocks, shares and holdings in the properties, assets, business and interests which are now being operated under the name of The Carnegie Steel Company, Limited, the H. C. Frick Coke Company, and under separate names given to the various subsidiary and allied companies on the basis of Three hundred and twenty millions of Dollars ($320,000,000.00) for the entire ownership of the said properties.

"The first party further agrees to vote or cause to be voted, his interests, shares or stock in both of the said Companies, and in all other allied companies and interests to carry out the transfer of the said properties in their entirety to the second parties, or to such individual, corporation or limited partnership association, that they may designate upon the same basis as to the whole thereof as this agreemnt specifies for the interest of the first party, and further by his assistance and vote to assist in the speedy confirmation of the purposes of the second parties in taking over the said properties.

"The first party agrees to take as part payment for his interests as above One hundred millions of dollars ($100,000,000.00) in five per cent, fifty year, gold bonds, to be executed by such individual, corporation or limited partnership association, as may be designated by the second parties, or their assigns, which bonds shall be secured by a mortgage upon all of the real estate of The Carnegie Steel Company, Limited, and to be a first lien thereon, except so far as the same shall be now encumbered and which shall also cover all of the stocks, interests and securities covered by this option and

which shall pass by the sale if this option shall be accepted by the second parties or their assigns. This mortgage shall be what is known as a Tight Mortgage, as understood in Pennsylvania, containing stringent clauses such as are usually found therein for the protection of the bond-holders, and especially including a provision for foreclosure and sale in the event of default of thirty days in payment of interest upon any of the bonds at the option of the holder of the said bonds upon written notice to the Trustee, but as respects the shares of stock in the H. C. Frick Coke Company and the Pittsburg, Bessemer & Lake Erie Railroad Company, the Iron Mining stocks and all other stocks or shares included in the said mortgage, the right to vote said stocks for the corporate purposes of said Company shall remain with the purchasers until a default has occurred in the payment of interest.

"THE REMAINDER of the consideration for the sale of the interests hereby optioned is to be in cash, which cash shall be paid and the bonds delivered on or before the date of the expiration of this option, but in respect to the bonds if it is impossible to secure engraved bonds by that time a general bond or obligation shall be delivered secured by the mortgage aforesaid to take the place of the engraved coupon bonds until the same can be engraved, executed and delivered.

"If the second parties accept this option they are to take all the properties covered thereby subject to all their indebtedness or obligations of any kind, which indebtedness or obligations shall be assumed, as well as all contractual relations and all obligations of the various organizations holding and operating the said properties, by the individual, corporation or association ultimately taking over the same, but with the sale there shall pass to the second parties, or their assigns, all of the business, assets, cash, notes, accounts, bills receivable, bonds, stock, contracts, good will, patent rights, leases, options, rights of way, easements, privileges, equities and all property of whatsoever kind, nature or description belonging to the properties hereby covered.

"Should this option not be accepted and its terms not complied with within ninety (90) days as herein provided the said second parties shall forfeit the deposit with The Carnegie Steel Company, Limited, to the credit of the first

party, and any and all rights, duties and obligations and liabilities created by this instrument shall cease and determine, and the parties respectively shall stand in relation to the subject matter thereof as if this agreement had never been executed.

"But if said option is accepted the deposit so made shall be a credit upon the purchase money *pro tanto*.

"In Witness Whereof, etc."

The following Agreement was read, the same being submitted for the consideration of the remaining Shareholders in this Association:

"Whereas, Andrew Carnegie entered into an agreement with H. C. Frick and Henry Phipps, Jr., on the 24th day of April, A. D. 1899, a copy of which is attached to and made part of this agreement, by the terms of which the said Frick and Phipps, or their assigns, shall have the right to acquire the interests of the said Andrew Carnegie in The Carnegie Steel Company, Limited, the H. C. Frick Coke Company, and all of the various Companies and interests allied to both of the said Companies; and, also, consenting that his interest in the said Companies should be joined with that of his associate owners in the carrying out of the sale of the entire ownership of all of the properties;

"Now, Therefore, This Agreement between the subscribers hereto, who are the other owners of the shares of stock or interests in The Carnegie Steel Company, Limited, the H. C. Frick Coke Company, and all of their allied Companies, parties of the first part, and H. C. Frick and Henry Phipps, Jr., parties of the second part, Witnesseth, That in consideration of the sum of One dollar to each of the said parties of the first part by the parties of the second part, the receipt whereof is hereby acknowledged, the parties of the first part each agree severally and respectively to sell to the said H. C. Frick and Henry Phipps, Jr., or their assigns, all of his shares, stock, holdings or interests in The Carnegie Steel Company, Limited, and the H. C. Frick Coke Company,

and all of their allied Companies, being the same properties and interests covered in the Carnegie Option, and, also, agree for the same consideration, as the sole and entire owners, and as all of the stockholders and shareholders of the said Companies in interest that the said Companies themselves may, if it be so desired by the second parties, sell to the said second parties said properties and interests upon the same basis as agreed with Mr. Carnegie, to wit: upon the basis of Two hundred and fifty million dollars for The Carnegie Steel Company, Limited, interests, and Seventy million dollars for the H. C. Frick Coke Company interests.

"And the parties of the first part further agree with the parties of the second part, or their assigns, that inasmuch as Mr. Carnegie has stipulated that the consideration to the extent of One hundred million dollars should be in five per cent gold bonds, that the said bonds may be issued by the Company to be organized by the parties of the second part, or their assigns, and secured upon the properties to be sold, but that in the distribution of the proceeds of the sale of the entire property, that the said One hundred million dollars of bonds shall be distributed to Andrew Carnegie upon account of his share of the purchase money, and the parties of the first part authorize and direct the parties of the second part, or such Company as they, or their assigns, may organize, to deliver said bonds to the said Andrew Carnegie direct, and his receipt therefor shall be a full acquittance to the parties of the second part, or their assigns, to the extent of One hundred million dollars.

"The parties of the first part hereto agree to take for their shares or interests in the said properties so to be sold as aforesaid, cash, or such securities as may be hereafter arranged mutually between each of the first parties and second parties, or their assigns. Such arrangement when made and reduced to writing and signed by those of the parties of the first part who agree to take other than cash to be treated as though a part of this agreement, each party, however, in such arrangement acting separately and for himself.

"It is further agreed and understood that this option cannot be accepted as to any one or more of the first parties, unless it is also accepted as to all, nor unless the Carnegie

option with which this is intended to coexist is likewise accepted.

"The second parties, or their assigns, may exercise this option in either of the two ways mentioned above, to wit: they may purchase the stocks or shares of the first parties as such in which case the consideration therefor shall be paid to the individual holders thereof personally; or the second parties or their assigns, may elect to purchase the properties as such from the Carnegie Steel Company, Limited, or the H. C. Frick Coke Company, in which case the consideration would be payable to the vending company, but in this last case it is agreed that in order to obviate handling vast sums of money the second parties, or their assigns, shall have a right to a credit upon the purchase price to the extent that any of the parties of the first part may agree to take payment in securities, to be charged against such second parties by the vending company.

"This agreement to expire by limitation unless its terms are accepted and complied with on or before the date named in the Carnegie option for its performance, in which event all rights, duties, obligations and liabilities of all parties shall cease, and as to the subject matter thereof it shall be as if this agreement had never been executed.

In Witness Whereof, etc."

The members of the Board individually being familiar with this question, the discussion was very brief, no opposition being shown; whereupon the following Resolution was adopted, the vote being unanimous, all present concurring:

"The Agreements entered into between the Stock and Shareholders of this Association and the Stock and Shareholders of the H. C. Frick Coke Company, of the first part, and H. C. Frick and Henry Phipps, Jr., of the second part, in respect to the sale by the said Shareholders of all of their shares or interests in this Association and the H. C. Frick Coke Company, and their allied properties; also agreeing that this Association as such shall sell all of its properties, real and personal, of every description, to the said Frick and

Phipps, or their assigns, for Two hundred and fifty million Dollars for all of this Association's property, excepting its stock in the H. C. Frick Coke Company, and its allied Companies, and as to such stock upon the basis of Seventy millions of Dollars for the whole of the H. C. Frick Coke Company, and its allied Companies, payable One hundred millions of Dollars in Five per cent gold bonds, as in said agreement described, and the remainder in cash, having been read and submitted to the Board for its consideration, it was, on motion of C. M. Schwab, seconded by H. M. Curry and A. R. Peacock,

"RESOLVED; That this Association join in and become a party to the said agreements binding itself to the terms thereof as though originally a party thereto, and expressly stipulating and agreeing to sell to the said Frick and Phipps, or their assigns, within the time named and upon the terms named and the price therein described, all its interests therein, for the price of Two HUNDRED AND FIFTY MILLION OF DOLLARS on the terms therein described for all of the properties and allied interests and holdings, real and personal, or otherwise, as therein set forth for Two hundred and fifty million Dollars, excepting the stock in the H. C. Frick Coke Company and allies, and for the said stock upon the basis of SEVENTY MILLION OF DOLLARS for the entire H. C. Frick Coke Company, and allied Companies, properties."

The following Resolution was submitted by the Secretary, and, on motion, (MM. Schwab and Phipps,) adopted, the vote being unanimous, and all present concurring; the Capital represented and voting in favor thereof being as follows:

Andrew Carnegie, by his Attorneys in fact, H. M. Curry, F. T. F. Lovejoy and L. C. Phipps	58½%
H. C. Frick	11
George Lauder	4
C. M. Schwab	3

H. M. Curry	2
W. H. Singer	2
L. C. Phipps	2
A. R. Peacock	2
F. T. F. Lovejoy	2/3
Thomas Morrison	2/3
D. M. Clemson	2/3
James Gayley	11/18
Total	87 1/9%

"WHEREAS; This Association has established at various times, as shown by its Records, certain Trust Accounts covering Capital in THE CARNEGIE STEEL COMPANY, LIMITED, to be held by a Trustee in trust for the benefit of this Association and certain other persons; the Accounts now remaining open being as follows:

Trust "V",	For W. E. Corey,	1/3% or	$83,333.33
Trust "AB",	For Jos. E. Schwab,	1/3% or	83,333.33
" "W",	For L. T. Brown,	2/9% or	55,555.00
" "X",	For D. G. Kerr,	1/9% or	27,777.78
" "Y",	For H. J. Lindsay,	1/9% or	27,777.78
" "Z",	For E. F. Wood,	1/9% or	27,777.78
" "AA",	For H. E. Tener, Jr.,	1/9% or	27,777.78
" "AC",	For George Megrew,	1/9% or	27,777.78
" "AD",	For G. D. Packer,	1/9% or	27,777.78
" "AE",	For W. B. Dickson,	1/9% or	27,777.78
" "AF",	For A. C. Case,	1/9% or	27,777.78
" "AG",	For John McLeod,	1/9% or	27,777.78
" "AH",	For C. W. Baker,	1/9% or	27,777.78

and

"WHEREAS; One of the conditions governing said Trust Accounts, being a portion of Section 3 of a Resolution under which they were established, adopted February 13, 1889, and set forth in the Minutes of a Meeting of that date, (the same being one of the duties of the Trustee,) is as follows:

" 'To surrender any portion of said Capital to said Firm, or to such person as it shall appoint, at any time before the same shall be transferred by order of the said Firm to the

parties above named, if so requested by a Resolution of the majority in interest in said Firm.'

"NOW, THEREFORE, BE IT RESOLVED; That F. T. F. LOVEJOY, Trustee, (successor to WM. L. ABBOTT, the first Trustee,) be and the same is now hereby authorized, empowered and directed to sign the Agreement hereinbefore set forth, granting an option on the Trust Interests shown above, aggregating Two per cent.; and

RESOLVED; That F. T. F. LOVEJOY, Trustee, be an the same is now hereby authorized, empowered and directed to sign the said Agreement, as representing One-half of One per centum of the Capital of this Association, or One hundred twenty-five thousand Dollars, held in TRUST 'N', the same being Undivided Capital held for the joint benefit of the Shareholders in this Association."

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, May 1st, 1899, there were present MM. FRICK (Chairman), SCHWAB, CURRY, PEACOCK, PHIPPS, MORRISON, CLEMSON, GAYLEY and LOVEJOY (Secretary); also MM. GEORGE LAUDER and W. H. SINGER.

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"Summary of important Sales from January 1st to April 29th, 1899, inclusive, is as follows:

Net Tons.	Material.		Average Price Per Lb.	Average Price Net Ton.
184,263	Struc'l & Ship	—Domestic,	1.277c.	$25.54
8,539	Struc'l & Ship	—Canadian,	1.089	21.78
20,727	Struc'l & Ship	—Foreign,	.978	19.55
57,082	Plates	—Domestic,	1.365	27.30

1,173	Nickel Steel Plates	—Domestic,	3.54	70.80
1,700	Plates	—Canadian,	1.341	26.82
1,394	Plates	—Foreign,	1.18	23.60
11,763	Bars	—Domestic,	1.321	26.41
921	Bars	—Canadian,	1.108	22.16
2,308	Bars	—Foreign,	1.009	20.18
8,904	O. H. Axles	—Domestic,	1.773	35.46

298,774=Total Net Tons.

Gross Tons.	Material		Average Price Gross Ton.
17,180	Ferro Manganese	—Domestic,	$58.60
139,988	Billets & Slabs	—Domestic,	17.19
200	Billets & Slabs	—Foreign,	15.34
16,670	Sheet Bars	—Domestic,	17.12
33,830	Pig Iron	—Domestic,	10.90
14,616	Scrap	—Domestic,	12.71
300	Scrap	—Canadian,	14.50
700	20% Spiegel	—Domestic,	23.26
202,730	Standard Rails—1sts	—Domestic,	17.20
32,250	Standard Rails—1sts	—Canadian,	16.38
10,251	Standard Rails—1sts	—Foreign,	15.39
18,998	Standard Rails—2nds	—Domestic,	17.63
750	Standard Rails—2nds	—Canadian,	15.69
5,500	Light Rails	—Domestic,	18.22
4,393	Light Rails	—Foreign,	19.07
12,054	Splice Bars	—Domestic,	23.27
2,382	Splice Bars	—Canadian,	21.33
569	Splice Bars	—Foreign,	21.48

340,361=Total Gross Tons.
639,135=Grand Total Tons.

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The following communication from James Gayley, to the Chairman, under date of May 1st, was read:—

Memoranda Relating to Mining Properties.

"The Security Land and Exploration Company, Minnesota, consists of 3,200 acres of fee property in the Mesaba district. There are three mines on the property—the Shaw, the Sparta, and the Towanda.

"The Shaw mine covers 80 acres and adjoins the Oliver Iron Mining Co.'s Mesaba Mountain Mine on the South. This property has been thoroughly explored and has shown up about 12,000,000 tons. It is also a stripping proposition, the surface being from 15 to 18 feet deep. The Ore on the property is not quite as rich in Iron as the Mesaba Mountain Mine and is higher in Silica. This latter, I consider a positive advantage as the Silica has cemented the Ore in a more lumpy form making it more desirable for Furnace use. At one time they operated a shaft on this property, taking out about 1,000 tons of Ore. When I last saw this stock-pile after an exposure of two years to the weather, it was still very coarse and resembled the Ores on the Menominee Range.

"The Sparta Mine. This Mine is located 2 miles East of the Fayal Mine and is considered the choicest grade of Ore on the Misaba Range. It is only partially explored, having about 2,000,000 tons in sight, and a considerably extended area of Ore located by test pits, but not tested as to depth. This propery is operated under lease by Mr. Geo. A. St. Clair and financed by Pickands, Mather & Co.—the royalty for this year and next will be 20c. per ton, and they expect to mine from 300,000 to 350,000 tons this year, yielding a revenue from royalties of $60,000.00 to $70,000.00.

"The Towanda Mine. Is located further to the East and South of the Hale—a deposit of Ore has been shown up of fair proportions, but no practical mining work has been done, nor has the property been thoroughly explored. In addition to the above there are about 1200 acres in the vicinity of the Fayal Mine which has not been explored but lies favorably in the Ore belt. The balance of the property lies for the most

part in the territory bounded by the Fayal, Biwabik and Virginia Mines. The cost of the property is $315,000.00.

"THE DOBER MINE: Is leased by the Mastadon Iron Co., of Michigan, and is located on the Iron River. It embraces 80 acres. The Ore is a Non-Bessemer—suitable only for Foundry or Basic Metal. The Iron River Ores run from 57 to 58% iron, but the shipments thus far made from the Dober Mine show 61%. The Mine will produce this year about 50,000 tons—10,000 tons of which was sold at $2.40 per ton at Buffalo. This property was thoroughly examined by General Manager Hulst and General Supt. Cole, and they report very favorably as to outlook for a large body of Ore. The property adjoining this Mine on the Ore stretch is also under option to us. The royalty is on a sliding scale based on selling price at the Mine from 10c. per ton upwards—at $2.40 per ton Lake Erie ports the royalty will be 15c. per ton. The Capital Stock of the Company consists of 20,000 Shares—of which we have secured 17,222 Shares—leaving a balance to secure of 2,778 Shares. The amount paid for Shares already purchased is $50,880.00, and it will cost us about $9,000 additional to procure the outstanding Stock.

"As the Iron River runs through the property, the Mine is very wet and it will be necessary to flume the River, which can be done at a cost of $5,000, but no improvements are being undertaken pending the securing of the outstanding Shares.

"LAKE SUPERIOR IRON CO. This fee property is located at Ishpeming and vicinity, Marquette Co., Mich., and contains 16,386 acres.

"TRANSPORTATION. The Company have 5 miles of railroad tracks organized in a separate organization, which is now leased to the Duluth & South Shore R'd, which can be cancelled by giving 12 months' notice. The rate to Marquette Docks is 25 cents, and to Escanaba 40 cents per ton.

"ORE IN SIGHT. This property has been recently inspected by MM. Hulst & Cole, and they estimate the Ore actually in sight as follows:—

Bessemer Hard Ores,	211,000 tons.	
Non-Bessemer Hard Ores,	671,000 "	
Total Hard Ores,		882,000 tons.
Bessemer Soft Ores,	242,000 tons.	
Non-Bessemer Soft Ores,	1,153,000 "	
Total Soft Ores,		1,395,000 "
Grand Total,		2,277,000 tons.

In addition to this the outlook for Non-Bessemer Soft Ores at Sections 16 and 21 Mines is very favorable for an output of three to four million tons more—making a total of five to six million tons. From other sources we have learned that various estimates of the quantity of Ore that can be won under present exploration ranges from five to eight million tons. Exploration and development work has not been carried on as systematically as is customary at our other Mines, but with so much property in the Iron belt, sytematic and intelligent exploration should result favorably. Recent diamond drill work has not resulted in locating any new deposits, but as this work was laid out on a comprehensive scale, and has only been partially carried out, the failure so far to locate new Ore bodies does not argue unfavorably.

"OUTLOOK AS TO QUALITY: Of the Bessemer grades there is nothing in sight beyond what is shown above, and beyond half a million tons a supply will depend on new deposits being located. The present outlook is therefore only in the direction of a Non-Bessemer supply—but fortunately in the direction that suits the requirements of The Carnegie Steel Company.

"COST OF MINING: As the property consists principally of soft Hematites a comparison with the Norrie Mine show 90 cents per ton, an increase of 20 cents per ton above the Norrie—but with a change from three working shifts to two and by making other changes in operation the cost can be

reduced now to exceed 80 cents per ton; at the same time there is a saving of 20 cents per ton against the Norrie in rail and vessel freights—and, in addition, this being fee property as compared with the Norrie a leasehold.

"VESSELS: In addition to the Ore Mines and property the Company own six steel Steamers having a carrying capacity of 2,800 to 2,900 tons each, or a total season's capacity of 425,000 tons.

"COST OF PROPERTY: The capital stock of the Company is represented in 100,000 Shares, of which 16,000 Shares are in the Treasury, the remaining 84,000 Shares at $45.00 per Share amounts to $3,825,000.00. We are assured that the quick assets of the Company are worth at least from $20.00 to $25.00 per Share; at the first named figure the deduction from the total purchase price would amount to $1,680,000.00, leaving a net cost of the property $2,145,000.00.

"GENERAL REMARKS: The Non-Bessemer Ores—being of less value in the market as compared to Bessemer—become more desirable as mining propositions when located on the Eastern ranges of the Lake Ore region, and as our requirements for Non-Bessemer Ore for the manufacture of Basic Iron are constantly on the increase, it is of vital importance to increase our holdings of non-Bessemer property—particularly now when the manufacture of Basic Steel and of Foundry Iron on the Lakes has received an increased stimulus.

"With respect to the non-Bessemer properties in Michigan—we now control nearly all of the Mines in the Iron River district—there remains then, in Mines of any magnitude those at Ishpeming and Negaunee—consisting of the Queen Group—the Cleveland-Cliffs, and the Lake Superior; the Queen, which is the largest of the group has passed to our control. The Cleveland-Cliffs is not for sale, and the securing of the Lake Superior property is highly important and necessary to our future requirements. The supply of Hard Ore is very important as we require about 40,000 tons per annum in our

Open Hearth Furnaces—and any excess is specially desirable in the Blast Furnaces in facilitating the use of the Mesaba Ores."

MR. FRICK: "What is expected from this Board is authority to our representatives on the Board of the Oliver Iron Mining Company to authorize the purchase of these properties.

"Some additional figures furnished by Mr. Oliver are as follows:—

"LAKE SUPERIOR IRON COMPANY:		
75,000 Shares at $45.00 per Share,	=	$3,375,000.00
Wm. G. Mather, 1/4 Share,	=	843,750.00
Balance due from Oliver Iron Mining Co.,	=	2,531,250.00
1/6 Interest of Oliver & Snyder Steel Co.,	=	421,875.00
Leaving our 5/6,		$2,109,375.00
"THE SECURITY LAND & EXPLORATION COMPANY,		$ 311,578.50
1/6 to be paid by Oliver & Snyder Steel Co.,		51,929.75
Leaving our 5/6,		$259,648.75."

MM. Curry and Schwab moved that the action of the Oliver Iron Mining Company Officials in regard to this property be approved, ratified and confirmed.

MR. SCHWAB: "This is a good thing, and very desirable."

MR. SINGER: "It seems to me a wise thing to do."

MR. PEACOCK: "It is the right thing to do."

MR. CLEMSON: "I favor it."

MR. GAYLEY: "I have already recommended it."

MR. MORRISON: "I am in favor."

MR. LAUDER: "I agree."

MR. CURRY: "It is the thing to do."

MR. PHIPPS: "I favor it at this time."

MR. LOVEJOY: "I favor the purchase."

MR. FRICK: "It seems to me we will not make a mistake, but the Ore in sight, according to the latest reports, is not as large an amount as was reported at first. It is to be noted

that Mr. Mather buys a 1/4 interest at the same rate, and H. W. Oliver says Mather would pay more if necessary."

On a vote being taken, the Resolution was adopted; the vote being unanimous.

MR. CURRY: "In view of these and other recent purchases, I think it will be necessary that we increase the Capital Stock of the Oliver Iron Mining Company. I think the Capital should be made $5,000,000.00."

Some little discussion followed, all favoring the increase."

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At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, May 15, 1899, there were present MM. FRICK (Chairman), SCHWAB, CURRY, PEACOCK, PHIPPS, MORRISON, CLEMSON, GAYLEY and LOVEJOY (Secretary); also MR. W. H. SINGER.

* * *

MR. SCHWAB: "There is to be a meeting to-morrow of the Rail Makers, and a division of the surplus on the first quarter's business will be made. I think we should get 50 cents per ton."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, May 29, 1899, there were present MM. FRICK (Chairman), SCHWAB, CURRY,

PEACOCK, PHIPPS and LOVEJOY (Secretary); also MR. W. H. SINGER. (MM. MORRISON, CLEMSON and GAYLEY in the North-West on Ore business.)

* * *

The following communication from Henry W. Oliver, to the Chairman, under date of May 27th, was read:—

"Referring to our conversation of Wednesday last, what I would like decision on is as follows:

"(First) I desire assent to the purchase of the fee simple of one-half interest in the Rouchleau Property. There are at least sixty million tons of ore in this property, two-thirds of which is of high-grade Bessemer. The non-Bessemer is of a good physical construction, and is not so high in Phosphorus but that it could be used in a Bessemer mixture; it would be especially well adapted for Open Hearth Metal. I am particularly anxious to secure this property, as, with the "Security," and the fee of the "Sheridan" which we can acquire at any time we would have an amount of fee simple ore, free of all railroad contracts, which would wonderfully strengthen me in my annual settlements with Mr. Gates and the Rockefeller interests. The Rouchleau is the only property left on the Missabe Range which has a light covering of earth. It could easily be stripped and made a steam shovel mine, and, indeed, it is the only Rockefeller property (except those we secured from him) which he could strip and mine with a steam shovel. All his other properties are underground propositions, involving additional cost for mining, thus preventing him from cutting too far into his railroad freight when placing cheap ore on the market. The property is very low in cost—only about one and three-quarters cents per ton in the hill. We should not hesitate a moment in making this purchase, and I trust I shall be granted power to act at once. The terms of the property are contained in Mr. Higgins' letter which I handed you.

"From a survey of the field I cannot see that there are any other properties involving cash expenditures which I will find necessary to bring before you. I have one or two other propositions in view which will be royalty mines, with small minimums, and no expenditure of money."

* * *

"I am organizing a system of watching all new fields of development, and with the assent of your Company I will guarantee that we will have our full share of anything new which turns up.

"In regard to Non-Bessemer, we now have in mind one or two propositions on large bodies at low royalty, with substantially no expenditure of money. The possession of these, with your five-sixths of our present properties would give you at least a sixty-year's supply of ore for Basic Pig."

Together with the letter from Mr. F. W. Higgins, referred to therein, as follows:

"I have been in correspondence with my sister and Mr. Gilbert in relation to terms in case of a sale of Section 17. One of them favors $100,000 down and the balance in equal instalments, for five or six years, at 4½% interest; the other favors $200,000 down and the balance in three years with interest at 4½%. Both subject to the suggestions that you made in relation to guarantees, mortgage, etc. So far as I am concerned personally, I should favor such terms as would be most satisfactory to you, other things being equal. I judge that $100,000 is the smallest amount however, that we can hope to satisfy the other parties in interest with.

"If you will write me a little more definitely in relation to your desires, perhaps I could submit the matter to them in a more intelligent way."

Mr. Curry. (In reply to the Chairman:)

"The price was $500,000, and the final agreement $100,000 cash, balance in five equal annual instalments, with interest at 4½%.

"It looks to me like a thing we should have. There is a big body of ore so it can be cheaply mined. It would be a valuable addition to our reserves. It is Missabe Ore, and lies half a mile from our Virginia Mine. One half of the fee is owned by Rockefeller. It cost him about $475,000.

"I would not favor taking action, however, until Mr. Gayley returns. The matter came up while I was away, and he had it in hand."

MR. FRICK: "Suppose we refer the whole matter to MM. Schwab, Curry and Gayley, with full power to take such action as they deem best."

On motion, (MM. Peacock and Phipps,) the suggestion of the Chairman was adopted as a Resolution; the vote being unanimous.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, June 6, 1899, there were present MM. SCHWAB (President), PEACOCK, PHIPPS, MORRISON, CLEMSON, GAYLEY and LOVEJOY (Secretary), also MM. GEORGE LAUDER, W. H. SINGER and W. E. COREY. (MR. FRICK sailing for Europe today; MR. CURRY in New York.)

* * *

"The summary of important sales for month ending May 31, 1899, is as follows:

Net Tons.	Material.		Average Price per Lb.	Average Price Net Ton.
19,275	Structural & Ship	—Domestic,	1.464 c.	$29.28
400	Structural & Ship	—Canadian,	1.25	25.00
1,195	Structural & Ship	—Foreign,	1.134	22.67
16,152	Plates	—Domestic,	1.272	25.43
1,957	Bars	—Domestic,	1.669	33.37
100	Bars	—Canadian,	1.50	30.00
2,955	O. H. Axles	—Domestic,	1.863	37.26
2,850	Ingot Moulds	—Domestic,		21.68
44,884	**Total Net Tons.**			

Gross Tons.	Material.		Average Price Gross Ton.
1,610	Ferro Manganese	—Domestic,	$75.39
5,891	Billets & Slabs	—Domestic,	25.24
150	Sheet Bars	—Domestic,	14.00
15,500	Pig Iron	—Domestic,	16.12
900	Scrap	—Domestic,	19.56
35,800	Standard Rails—1sts	—Domestic,	18.03
1,510	Standard Rails—1sts	—Foreign,	21.50
3,078	Standard Rails—2nds	—Domestic,	19.50
2,657	Light Rails	—Domestic,	23.79
224	Light Rails	—Foreign,	22.75
1,672	Splice Bars	—Domestic,	26.18
86	Splice Bars	—Foreign,	27.84

69,078=Total Gross Tons.
113,962=Grand Total Tons.

* * *

MR. GAYLEY: "On behalf of the Committee, MM. Schwab, Curry and myself, I would report that the Oliver Iron Mining Company has purchased one-half of the fee of the Rouchleau Mine for $500,000 as authorized at the last Board Meeting, excepting that Mr. Higgins' Sister held out for $200,000 cash; the remaining $300,000.00 to be paid in four equal payments. As this made a less amount to pay interest on and our Treasurer did not object, we closed the matter.

"We estimate that the minimum quantity of Ore in this Mine is 50,000,000 tons, so that this ore costs us 2½ cents per ton in the ground, as compared with 25 cents per ton royalty on our lease-holds."

Mr. Gayley submitted the following Resolution, which, on motion, (MM. Phipps and Clemson,) was adopted; the vote being unanimous:

"Whereas, the OLIVER IRON MINING COMPANY has purchased of FRANK W. HIGGINS and others, 'the undivided half (½) of the east (½) of the North-east Quarter of Section seventeen (17) in Township fifty-eight (58), North of range seventeen (17) West, and also the undivided half (½) of the

West half of the South-west Quarter of Section twenty-six (26) in said Township, in St. Louis County, Minnesota, subject to certain railroad rights of way,' for the agreed price of $500,000.00, of which $200,000.00 is to be paid in cash upon the delivery of the deeds therefor, and the remaining $300,000 is to be paid in four semi-annual payments, and interest thereon, payable semi-annually at the rate of Four and one-half per centum (4½%) per annum; and

WHEREAS, THE CARNEGIE STEEL COMPANY, LIMITED, is the owner of five-sixths (5/6) of the Stock of said Oliver Iron Mining Company, and as such Stockholder expects to profit from such purchase; and

"WHEREAS, The acceptance of the notes of said Oliver Iron Mining Company secured by a mortgage upon the said land and real estate by the vendors, as a part of the purchase price of said lands and real estate is conditioned upon the guarantee of the payment of said notes, principal and interest by this Company and the Oliver & Snyder Steel Company;

NOW, THEREFORE, RESOLVED; That the proper Officers of this Company be and they hereby are empowered and directed to guarantee on behalf of and in the name of this Company all of the notes which the Oliver Iron Mining Company may deliver to said Higgins evidencing the deferred payments for the purchase price of said land, and in making such guarantee, said officers are empowered to make it in such form as shall be satisfactory to said Higgins."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, June 27th, 1899, there were present MM. SCHWAB (President), CURRY, PHIPPS, MORRISON, CLEMSON, GAYLEY and LOVEJOY (Secretary); also

MM. GEORGE LAUDER, W. H. SINGER, W. E. COREY and H. P. Bope. (MR. FRICK abroad; MR. PEACOCK in Chicago.)

During the luncheon an informal discussion was had as to what present market prices are, the following being an abstract:

MR. SCHWAB: "It is much to be regretted that the newspapers enlarge on occasional quotations and emergency prices for small lots, and report such prices as being the market. The papers may think such action helps the market, but it does not. There is nothing to sell for the balance of this year, and the price a consumer may be willing to pay for a small lot of steel, delivered immediately, perhaps to enable him to fill some large contract he has, is by no means the market price. About the only result of the action of the papers is to make labor dissatisfied.

"Rails, for instance, cannot be sold in any quantities at the present Association price, but none of the Mills have any for sale for delivery before next winter. A few days ago, Mr. Schoonmaker, whose acquaintance among New York Railroad men is extensive, called me on the telephone to say that the general feeling among railroad Officials there is that at present Rail prices they will order only such tonnage of Rails for next year as they cannot possibly do without; and that he would strongly advise making Export and Canadian Rail Contracts.

"More Rails were made and sold in 1898 than in any previous year: 1,981,241 gross tons, including 144,000 sold to street railroads. The three or four years preceding show 1894, 1,021,772 tons; 1895, 1,306,135 tons; 1896, 1,122,010 tons; 1897, 1,647,892 tons. The large shipments for 1898 were undoubtedly because of the low price."

MR. LAUDER: "But we will have at least as many in 1899 as in 1898."

MR. SCHWAB: "I think so, or even more; but look at the prices. The Rail Makers' Association report shows, for the 7 months ending May 31, 1899, the average proceeds of No. 1 Rails sold since November 18, 1898, (excepting on our own we have no way of ascertaining the average price on the old Contracts which were not taken into the Association accounts,) to be

The Carnegie Steel Co., Ltd.,	$17,065;
Illinois Steel Company	18,119;
Cambria Steel Company	18,284;
Colorado Fuel & Iron Company	20,329.

An equalization of the proceeds gives us a credit for the 7 months of $100,862.90, increasing our proceeds; but the fact remains that we, and the other Mills, have large tonnages sold at low prices, that is prices which are low compared with present quotations—with what is charged for small lots."

MR. LAUDER: "It cannot be expected that the Mills can make long contracts at present prices. I would advise making considerable concession in order to make sales far ahead. This boom cannot continue. The Mills are all busy now because every purchaser at low prices is taking every pound of Steel he can get, but wait until the snow flies and you will see business quieting down. I do not expect any collapse, but there is nothing to keep prices up to what they seem to be at present."

MR. SCHWAB: "For next year we will want not less than 650,000 tons of Rails; Illinois Steel Company will want the same; the other mills will want not less than 500,000 tons; making at least 1,800,000 tons to be sold, but which cannot be sold at $25.00.

"(To MR. LAUDER:)

"Don't you think if we could make a contract for over 100,000 tons of Rails for export, to net us not less than $20.00 at Mill, that it would be a good sale?"

MR. LAUDER: "Yes, I do."

MR. SCHWAB: "I brought up this subject particularly because Mr. Lauder was not with us at the last Meeting when we discussed a Contract for Rails for the Russian Government Railroad, and I wished to see if his opinion coincided with that of nearly every one present at that Meeting. I am glad that it does."

The Minutes of the Meeting of the Board of Managers held June 20, 1899, were read, and, on motion, approved.

The following cablegram, dated London, June 24th, was read, and ordered placed upon the Minutes:

(Translation)

"Pleasant interview at Skibo. Will not extend or modify present option. Have advised Chicago. We are in favor of new Basic Open Hearth Furnaces. We protest against closing Russian Government contract on account of price terms commission and insufficient security. Please give instructions to Millard Hunsiker to get us out of it. We heartily endorse views of Board of Managers with regard to Amalgamated Association, stop Works if necessary to hold present position.

"(Signed) H. C. FRICK,
HENRY PHIPPS."

MR. SCHWAB: "We have advised our absent Partners that we are pretty fully committed as to the Manchurian Railroad Contract, and do not see any way of getting out. The Contract is, however, to be made entirely satisfactory to us—that is, security given that the tonnage will be taken and paid for—and some honorable method of avoiding the Contract may suggest itself before the matter is finally closed. Mr. Hunsiker will go to St. Petersburg tomorrow, and will report from there what we might be able to arrange. Before closing the Contract, we stipulated that we would not pay the stamp tax and other expenses until the matter had been made perfectly satisfactory. As far as the terms agreed upon are concerned, they are certainly satisfactory—cash against documents in New York. I have written our absent Partners very fully, but do not expect to be able to have the order cancelled.

"As to the four additional Open Hearth Furnaces:—This matter was pretty fully discussed at the Meeting of June 13th, but held over until we could hear from MM. Carnegie, Phipps and Frick, to whom I had written on the subject."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Wednesday, July 5, 1899, there were present MM. SCHWAB (President), PEACOCK, PHIPPS, MORRISON, CLEMSON, GAYLEY and LOVEJOY (Secretary); also MM. W. H. SINGER and W. E. COREY. (MR. FRICK abroad; MR. CURRY in Cleveland; MR. LAUDER sailing abroad today.)

* * *

The summary of important sales for month ending June 30, 1899, is as follows:

Net Tons.	Material		Average Price per Lb.	Average Price Net Ton.
43,041	Struct'l & Ship	—Domestic,	1.559 c.	$31.19
8,600	Struct'l & Ship	—Canadian,	1.25	25.00
2,561	Struct'l & Ship	—Foreign,	1.146	22.91
22,808	Plates	—Domestic,	1.635	32.69
6,489	Bars	—Domestic,	2.194	43.87
1,580	O. H. Axles	—Domestic,	1.712	34.24

85,079=Total Net Tons.

Gross Tons.	Material.		Average Price Gross Ton.
900	Ferro Manganese	—Domestic,	$82.70
2,486	Billets & Slabs	—Domestic,	17.63
4,570	Sheet Bars	—Domestic,	14.00
2,000	Scrap	—Domestic,	19.00
914	Standard Rails—1sts	—Domestic,	24.33
5,280	Standard Rails—1sts	—Canadian,	20.00
1,714	Standard Rails—1sts	—Foreign,	24.03
200	Standard Rails—2nds	—Domestic,	22.50
264	Standard Rails—2nds	—Canadian,	19.00
1,608	Light Rails	—Domestic,	24.15
2,083	Light Rails	—Foreign,	24.69

570	Splice Bars	—Domestic,	33.60
388	Splice Bars	—Canadian,	26.24

22,977=**Total Gross Tons.**
108,056=**Grand Total Tons.**

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., 12:30 P. M., Monday, July 10, 1899, there were present MM. SCHWAB (President), CURRY, PEACOCK, MORRISON and LOVEJOY (Secretary); also MM. W. H. SINGER, W. E. COREY and W. W. BLACKBURN. (MR. FRICK in France; MR. PHIPPS at Spring Lake; MM. GAYLEY and CLEMSON in the Lake Ore Region.)

The Minutes of the Meeting of the Board of Managers held July 5, 1899, were read, and, on motion, approved.

Mr. Peacock, as General Sales Agent, submitted the following Report:

SALES OF STANDARD RAILS POOLED SINCE NOVEMBER 18, 1898.

	Sales.	Options.	Totals.
Carnegie	407,393	—	407,393
Illinois	488,859	—	488,859
Cambria	118,612	—	118,612
Colorado	45,171	1,600	46,771
Total	1,060,035	1,600	1,061,635

* * *

MR. SCHWAB: "Last week I cabled MM. Carnegie and Frick quite fully as to the Rails for the Russian Government Road, asking them to withdraw their objections to the making of the Contract. Both cabled their consent, Mr. Carnegie saying he had not understood that the Rails were for the Russian Government.

"Mr. Hunsiker is in St. Petersburg, and we have instructed him to make the Contract, provided the details were satisfactory."

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, July 18, 1899, there were present MM. SCHWAB, (President), PEACOCK, PHIPPS, CLEMSON, MORRISON, GAYLEY, and LOVEJOY (Secretary); also MM. W. H. SINGER and W. E. COREY. (MR. FRICK in France; MR. CURRY at Hot Springs, Va.)

* * *

MR. PEACOCK: "The large increase in the tonnage of Plates is owing to the very heavy specifications received from the Pressed Steel Car Company for B. & O. Cars.

"During the last week, we had several telegrams from Mr. Hunsiker, reporting progress as to the Contract for Rails for the Manchurian Railroad. He expects the formal Contract to be submitted on July 21st. He also cabled asking whether or not the same price would be satisfactory on 200,000 tons additional. I asked him what he could get for two or three years delivery. He answered $24.00 New York. I reported this by cable to MM. Carnegie, Phipps and Frick, and asked what they advised. MM. Carnegie and Phipps said, if it was a Government order, they would advise accepting. Mr. Frick said: 'Would not take less than $28.00 New York, and if we stand firm, we will get it.' I then cabled Mr. Hunsiker that opinions differ as to price—$24.00 to $28.00—asking

him what was the best he can get. He said he thought $24 00 New York on a three years' contract. I cabled saying we would like to have the deliveries spread over five years instead of three and have not yet received his reply."

MR. SCHWAB: "I believe the Board, in the discussion of June 20th, was unanimous in naming $22.50 Works for an additional Contract; $24.00 New York is the same thing. Inasmuch as MM. Carnegie and Phipps are of the same opinion, I suppose the Board has nothing further to say today. I was in New York last week, and had several talks with railroad men and others. It is the general opinion that with $25.00 Rails, there will be a minimum quantity of rails specified. Therefore, unless we get some export orders, we will not have enough orders to run our Mills full. A long Contract like this is most desirable business.

"If there is no objection, it will be recorded as the sense of the Board that Mr. Peacock's action in the matter of the additional contract be approved."

To this all agreed.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, July 25, 1899, there were present MM. SCHWAB (President), PEACOCK, PHIPPS, MORRISON, CLEMSON, GAYLEY and LOVEJOY (Secretary); also MR. W. E. COREY. (MM. FRICK and LAUDER abroad; MR. CURRY in Virginia; MR. SINGER at Narragansett Pier).

The Minutes of the Meeting of the Board of Managers of July 18, 1899, were read, and, on motion, approved.

Mr. Peacock, as General Sales Agent, submitted the following reports:

SALES OF STANDARD RAILS POOLED SINCE NOVEMBER 18th, 1898.

Carnegie	407,732	Gross	Tons;
Illinois	491,090	"	"
Cambria	120,727	"	"
Colorado	46,699	"	"
Total	1,066,248	"	"

"We have no record of any options outstanding."

* * *

Mr. Peacock: "While in New York last week, I had a conference with MM. Gary and Porter, and we also had Mr. Stackhouse on the telephone, the subject being a sale which the Federal Steel Company desire to make of about 40,000 tons of Rails, to be made and delivered at the convenience of the Illinois Steel Company during next year, for the Chicago & North Western Railroad. Their idea of price was $29.00 Chicago. They believe that should be the price for next year on such business as comes to us, but that we should not solicit any business yet. That would make the price $28.00 Pittsburg. Mr. Stackhouse said $28.00 Pittsburg was high enough, and that he would like to sell half their product at that price. I said I did not think it necessary that we should decide how much we should sell, as all inquiries are reported to the Board. No doubt some of the Roads will be very willing to cover their requirements for next year at that price."

Mr. Schwab: "As I understand the Agreement, while we are not to solicit any business, we are to be allowed to sell at $28.00 Pittsburg. Is there any objection to this price for such business as comes to us?"

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., 12:30 P. M., Tuesday, August 15, 1899, there were present MM. SCHWAB (President), PEACOCK, PHIPPS, CLEMSON, MORRISON and LOVEJOY (Secretary); also MM. W. E. COREY and A. M. MORELAND. (MM. FRICK and LAUDER abroad; MR. CURRY in Virginia; MR. SINGER at Narragansett Pier; MR. GAYLEY in Vermont.)

The Minutes of the Meeting of the Board of Managers held August 8, 1899, were read, and, on motion, approved.

Mr. Peacock, as General Sales Agent, submitted the following reports:

SALES OF STANDARD RAILS POOLED SINCE NOVEMBER 18th, 1898.

Carnegie	411,928	Gross Tons;
Illinois	556,093	" "
Cambria	124,325	" "
Colorado	46,749	" "
Total	1,139,095	Gross Tons.

* * *

The following communication from Andrew Carnegie, to the President, dated at Skibo Castle, August 2nd, was read:

"Yours of 18th has been kept in mind. MM. Frick and Phipps are coming to confer in a few days and it will be laid before them and our views duly transmitted to you.

"It is not necessary that we should run full on Rails at Edgar Thompson. You should take the necessary steps to enable these Works to run also on Billets, if necessary.

"Youngstown Mill will probably trouble you, although Mr. Peacock assured me they knew better than to begin fight-

ing with us. If they do, you should strike back vigorously upon their trade. A small percentage could be allowed Scranton and Pennsylvania Steel, but it should be very small indeed, not more than half what they were claiming before. Railroads will buy rails at $25. or $50. for their wants. The former price is very low indeed for Steel. There is no benefit to us in getting large orders beyond the immediate wants of Railroads at low prices. I believe you will be able to use all the Pig Iron you make at equal to $25. for Steel Rails next year, yes, even at higher prices. Of course Railroad officers tell our people that they will not buy unless you sacrifice your product for their good, and of course you are too wise to pay the slightest heed to such nonsense. $25 is as low as they should ever be, but you will hear later from me upon this point after consulting with MM. Frick and Phipps.

"Delighted to see Peacock reporting that he is selling all that he can at present prices for *specific work*. No doubt about this policy, and I hope that you will miss nothing that you can possibly get.

"Hope the Keystone trade will go through, and I am sure it will if it is going, independent of our action. The Car Company was to give us a Contract Mr. Peacock had arranged, but that gentleman has not said anything about it recently. How is it?

"I hope you are ready to go ahead with the two Furnaces at Carrie. Lawrence is not sure but what he could get the additional land at $8,000. This should be followed. We should have it even if we pay $10,000. No price is dear when you can save $20,000 per annum and make perfect locations."

"I wish again to congratulate you and the Board upon your splendid handling of the labor question. That was great. Also upon the 48" Mill starting, and the new open Hearth Furnaces. Now for the Bethlehem Plate Mills. Frick and Phipps are greatly interested in the proposed Tube Works; I am also. Seems to me best thing we can do is to take Phipps' or Frick's hundred acres on the River further up, and erect a perfect Plant, which will be a warning to several of the Trusts that we are not to be ignored and that they had better keep in with us. It seems to me the next two or three years properly used should give the Carnegie

Steel Company a greater lead over competitors than it ever had before. Plenty of scope for your genius and that of your able colleagues."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, August 29, 1899, there were present MM. SCHWAB (President), PEACOCK, MORRISON, CLEMSON and LOVEJOY (Secretary); also MM. W. E. COREY and W. W. BLACKBURN. (MM. FRICK and LAUDER abroad; MR. SINGER at Narragansett Pier; MM. CURRY and PHIPPS at Spring Lake; MR. GAYLEY in Vermont).

The Minutes of the Meeting of the Board of Managers held August 22, 1899, were read, and, on motion, approved; and, on motion, (MM. Peacock and Clemson), all actions taken at that Meeting (there being present four members of the Board and three substitute members), were approved, ratified and confirmed, and to have the same effect as though passed by a legal quorum; the vote being unanimous.

Mr. Peacock, as General Sales Agent, submitted the following reports:

SALES OF STANDARD RAILS POOLED SINCE NOVEMBER 18, 1898.

Carnegie	438,748	Gross Tons;
Illinois	531,461	" "
Cambria	146,817	" "
Colorado	48,960	" "
TOTAL	1,165,986	Gross Tons.

"This statement is based upon corrected official reports from the Auditor of the New York Committee."

• • •

The following communication from Andrew Carnegie, dated at Skibo Castle, August 12th, was read:

"MINUTES.

"Illinois, 90,000 tons ahead of her proportion. New order in market 40,000 tons to be taken at $29. Chicago by Illinois, next year's delivery. Should not this order come to us to equalize? Bad policy to allow our proportion of orders received to fall below equality.

"Vice Presidents' weekly letter to Agents, July 19th, very instructive. He states customers satisfied with present prices. My advice is to book every order possible at present prices, or even a little less. The later the date of delivery required the more anxious I should be to secure the order, although it now seems probable that we are in for a year of unequalled profits there is always the danger of something occurring to check confidence.

"We should aim to be oversold largely on this market, because whenever a reaction comes a large percentage of our orders will be postponed, and some even cancelled; others we shall hesitate to deliver, fearing the solvency of the purchasers. You cannot be too largely oversold when the market breaks. No matter how far beyond capacity you will find great difficulty in keeping your Works running, so great will be the percentage of orders which customers will not want. If you can fill next year at present prices you have at least forty millions profit—but it may be fifty. To want more than that seems wicked."

MR. SCHWAB: "As to the difference between Illinois and ourselves; this 40,000 ton order was from the C., B. & Q. R. R., and we have arranged with the Illinois Steel Company to protect us on part or all of that order.

"We all entirely agree with the policy as to Sales outlined by Mr. Carnegie, and have been following that policy for some time."

• • •

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, September 5, 1899, there were present MM. PEACOCK (First Vice-President), CURRY, PHIPPS, CLEMSON, MORRISON, GAYLEY, and LOVEJOY (Secretary); also MM. W. H. SINGER and W. E. COREY. (MR. FRICK in New York (arrived today); MR. SCHWAB in New York; MR. LAUDER abroad).

• • •

"The summary of important sales for month ending August 31st, 1899, is as follows:—

Net Tons.	Material	Average Price Per Lb.	Average Price Net Ton.
22,296	Struct'l & Ship	—Domestic, 1.938c	$38.76
6,775	Struc'l & Ship	—Canadian, 1.571	31.42
4,406	Struc'l & Ship	—Foreign, 1.458	29.16
23,105	Plates	—Domestic, 1.431	28.62
600	Plates	—Canadian, 2.00	40.00
130	Plates	—Foreign, 2.089	41.79
6,344	Bars	—Domestic, 2.143	42.87
125	Bars	—Canadian, 2.00	40.00
18	Bars	—Foreign, 2.00	40.00
219	O. H. Axles	—Domestic, 3.726	74.52

64,118=Total Net Tons.

Gross Tons.	Material		Average Price Gross Ton.
6,250	Ferro Manganese	—Domestic,	$83.86
2,540	Billets & Slabs	—Domestic,	30.74
2,090	O. H. Ingots	—Domestic,	32.55
600	Pig Iron	—Domestic,	30.00
1,300	Scrap	—Domestic,	30.00
405	Standard Rails-1sts	—Domestic,	25.81
7,726	Standard Rails-1sts	—Foreign,	23.69

5,155	Standard Rails-2nds	—Domestic,	24.59
150	Light Rails	—Domestic,	30.00
2,400	Light Rails	—Foreign,	23.60
318	Splice Bars	—Domestic,	36.96
550	Splice Bars	—Foreign,	31.71

29,394=Total Gross Tons.
93,512=Grand Total Tons.

MR. PEACOCK: "A Meeting of the Rail Makers has been called for tomorrow in New York to try to adjust the price for next year. Mr. Schwab will be there.

"I understand that Pig Iron is at $23.00 in the Valley now.

MR. GAYLEY: "I saw Mr. Butler at the Club yesterday, and he asked what Pig Iron we would want for the first quarter of next year. I told him to name a price. He said a meeting to fix the price would be held today, and that he thought $23.00 would be agreed upon, they having already sold at $22.50 Valley."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, September 11, 1899, there were present MM. FRICK (Chairman), CURRY, SCHWAB, PEACOCK, PHIPPS, MORRISON, CLEMSON, GAYLEY, and LOVEJOY (Secretary); also MR. W. H. SINGER.

The Minutes of the Meeting of the Board of Managers held September 8, 1899, were read, and, on motion, approved.

The following communication from Andrew Carnegie, to the Board, dated at Skibo, August 20th, was read:—

"MINUTES.

"My opinion is that sliding scale Contracts should always be at market rates, (arbitration if these not agreed to),

—such as proposed with Bridge Companies. American Tin Company Contract made without submission to Board, or without time for absent partners to speak—I pronounced at the time as one of the most unnecessary give aways I ever knew in business—we contracted a year ahead at the lowest minimum ever known for conversion within 25 cents per ton—when the Tin Company would have given us a rich prize for keeping out of their domain. If our scale is above market, we will not get it—we will let our customer have his material as low as the market so he can win. When a boom comes, we miss all benefit. This Tin Company miss may cost us several millions. Pig surely was not $16.00 in June, but nearer twenty. Seventy one thousand tons Sheet Bars per month at $21.84 when Pig is near that—is a startling fact—surely there is a limit. We give them our finishing plant for almost nothing at all times, only a small margin at 5.25.

"We should cancel all these as soon as possible—also other sliding scales. In Plates I agreed to sale because Mr. Schwab assured me we had a big profit on finishing, three to four dollars per ton, owing to new Mill on large part—and I think about seven dollars in all—this is good but not just now—but even with Plates market price is about all we shall permanently get, because it is not our interest to load down our consumer. Market price secures us a preference which is really all it will be our policy to charge. It is heads they win, tails we lose, under present scales, as I see it.

"I congratulate the Firm that Russian order, as I hear, is finally off—nothing but probable disappointment was likely to come from taking up with light speculators—and disgrace to the bargain.

"The minutes of last Meeting—(Mr. Peacock's letter) should be expunged. If ever it is dragged to light the Armor misfortune will be as nothing. Personally I have always done honorable business, and believe that not only is fair, square, open business the only right business, but that it is the most lucrative as well. We do not need to take up with speculators, or adopt unbusiness methods—besides there is only loss and disgrace probable from doing so. I am glad that such are also the views of MM. Phipps and Frick who have had most experience in business.

"The North-Western Railroad Company owes us a part of its Rail order, and *it could have been secured.* It is not good management to let the Federal Steel Company exceed its proportion, and you will find the fact that it does will require you to exert much force to hold to equality."

MR. SCHWAB: "The American Tin Plate Company differential is not at any point as low as $5.25, the figures used by Mr. Carnegie. On $10.00 Pig Iron, it is $5.75; cost $3.25, profit $2.50, or 44% of the differential.

"On the same priced Pig Iron, and adding say 40 cents per ton for the annual cash payment, the differential on the Schoen Contract is $16.72; cost $10.00, profit $6.72, or 40% of the differential; showing that the American Tin Plate Company Contract for Sheet, Bars is more profitable on a percentage basis than the Pressed Steel Car Company Contract for Plates.

"I talked over with Mr. Carnegie the question of making the American Tin Plate Company Contract on a sliding scale basis. Mr. Peacock and I made the Contract, subject to the approval of the Board. On January 16th, we submitted it to the Board, and it was discussed and approved.

"I am certainly most favorable to Contracts made on a sliding scale basis, believing they are more profitable in the long run, and feeling they are the easiest and best way of dealing with the large Corporations to whom so much of our product is now being sold. This is the time for us to decide this question as the new Hoop Company is ready to make a sliding scale Contract."

* * *

MR. SCHWAB: "I have been looking into the operation of the Ferro Manganese Agreement made with Cambria Iron Company February 10, 1894, and find the Cambria Iron Company has been getting more money than was ever anticipated. Mr. Moreland has furnished a report.

The same was read, as follows:

* * *

d. Clause in Contract covering adjustment of base price reads as follows:—

"Should there be any material or marked change in the price of manganese ores during the term of this Agreement, causing an increase or a decrease in the cost of manufacturing ferro manganese by the Carnegie Steel Company, Limited, then shall the President of the Cambria Iron Company and the Chairman of the Carnegie Steel Company, Limited, agree upon such increase or decrease in the above-named base price of forty-five Dollars ($45.00) per ton as may be proper, and, should they be unable to so agree, the matter shall be referred to some disinterested person, whose decision shall be final."

* * *

"It develops now, with the high price we are getting for ferro manganese, to pay Cambria one-third of our profits, on even a base price of $50.75 per ton, as suggested above, would seem excessive. We cannot give a good and substantial reason why the base price should be raised proportionately with the market price of ferro, as Cambria well knows that Raw Material; ore, coke and stone, have not yet increased correspondingly with the price of ferro, and they may not do so. The Contract provides only for adjustments on ores, and Cambria knows what they are worth.

"The action to take, after first securing consent to increase of base price, about which there should be little or no trouble, is to get a reduction of Cambria's share from one-third of surplus to, at least, one-fifth. As a matter of fact, with the present tonnage on the market and the prices ruling for same we do not need Agreement at all. Still we may need it later on."

* * *

MR. FRICK: "I think the President should give notice at once of our desire to cancel this Contract, and then he will be in position to take up the question of a new proportion."

MR. SCHWAB: "It is worth something to have Cambria out of the market."

MR. FRICK: "But not as much as we have been paying them. They cannot make ferro at present."

On motion, (MM. Phipps and Clemson), the President was authorized to give notice of our desire to cancel the Agreement; the vote being unanimous.

MR. SCHWAB: "On the question of rails, particularly for next year.

"During the Chairman's absence, I wrote Mr. Carnegie saying there would be, in my opinion, a good demand for rails for 1900, and, unless some agreement was arrived at which would prevent Scranton and Pennsylvania from cutting the price, a general scramble would follow, and we would not get anything like what rails should bring. I recommended that Scranton and Pennsylvania be given a small percentage, enough to keep them in line. He replied that MM. Phipps and Frick would be with him soon, and that they would discuss it. I found the Chairman favored letting the other Mills in, and asked the other rail makers not to quote on 1900 delivery until after our next meeting—Wednesday of this week."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, September 19, 1899, there were present MM. FRICK, (Chairman), CURRY, SCHWAB, PEACOCK, PHIPPS, MORRISON, CLEMSON, GAYLEY and LOVEJOY (Secretary); also MR. W. H. SINGER.

* * *

MR. SCHWAB: "In line with the authority given me, I met the other Rail Makers in New York last Wednesday. A new Agreement was made for 1900, which, however, in no way invalidates the original Rail Agreement between the Il-

llinois Steel Company and ourselves, so that in case the new Agreement falls through for any reason, the original Agreement will be operative. The price for 1900 was fixed at $23.00. The $1.00 differential between Pittsburg and Chicago was eliminated. The Lackawanna, the Pennsylvania and the Maryland Companies were taken in. The percentages agreed on, compared with those under the last "Rail Makers' Association" Agreement, were as follows:—

Carnegie	30.01125%	against	26.75%;
Illinois	30.01125%	"	26.75%;
Cambria	10.1925 %	"	8.25%;
Colorado	5.285 %	"	.....
Pennsylvania and Maryland	11. %	"	11. %;
Lackawanna	13.50 %	"	19. %;
	100. %		100. %.

"Under the old Agreement, Pennsylvania and Maryland were to receive $100,000.00 per annum as bonus, but for next year there is no Cash bonus to any one. Each member is to make its own percentage of Rails as nearly as possible.

"I think this is a very favorable Contract for us, especially because we go into next year with a very large amount of Rails sold for this year, but which are not to be delivered until next.

"There is one very important feature of the Rail situation. The reports show the Illinois Steel Company to have sold 100,000 tons more than their share. This has been sold to Roads to whom the Illinois Steel Company has always sold heretofore—regular customers. These Roads appear to have specified their wants for 1900 earlier than usual, thus giving Illinois that lead in tonnage. There are other Roads that always buy from us, but which have not yet specified for next year. Mr. Carnegie thinks we should not let the Illinois Steel Company go so far ahead of its percentage, but I do not think it policy to fight them on this point. In view of our Agreement, I think we should let them sell to the Roads

they have sold to heretofore. There is some risk, but I think not very much, having the two Agreements, the new one with all the Makers, and the old one with the Illinois Steel Company itself to fall back on in case the new one should be broken."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, October 2, 1899, there were present MM. FRICK (Chairman), CURRY, SCHWAB, PEACOCK, PHIPPS, MORRISON, GAYLEY, CLEMSON and LOVEJOY (Secretary); also MR. W. H. SINGER.

* * *

The following cablegram from Andrew Carnegie, dated at Clashmore, October 2nd, was read:—

"Hope Thomas B. Reed appointed Counsel in the Mixer Case."

* * *

MR. SCHWAB: "The Rail Makers met again last week, and concluded the arrangement outlined to the Board two weeks ago, modifying it, however, so that it is to take effect October 1st, and to include all the old business from that date. We also arranged, in a manner which I think will be satisfactory to all, the question of selling in excess of the respective proportions of the different Mills. The Illinois Steel Company and Colorado are to confine their sales to Chicago and the North-West, we to have the Central West and the South, and so on with the other Mills, the district being divided on the basis of actual sales made during the past. I think this will work very well.

"I have closed with the Cambria Steel Company an arrangement as to Ferro-Manganese, in accordance with our

discussions at the last two or three Meetings. They will receive one-tenth of the profits over a $50.00 base. This to take effect November 1st, although our notice would not take effect until six weeks later."

* * *

Mr. Peacock, as General Sales Agent, submitted the following reports:—

"We submit herewith a statement of the sales of standard rails, first quality, reported to the New York Committee since November 18th, 1898:—

Carnegie	442,715	gross tons;
Illinois	540,343	" "
Cambria	136,020	" "
Colorado	81,106	" "
Total	1,194,184	gross tons.

* * *

Mr. Frick: "Mr. Oliver has received the following letter from F. T. Gates, representing Mr. Rockefeller's Ore interests, under date of September 26, 1899."

The same was read, as follows:

"You asked me yesterday for the letter, the violation of the terms and spirit of which was developed by you in the interview of yesterday, and which formed the subject of the subsequent acrimonious conversation on my part. I furnish you herewith a copy of the letter and also with a considerable number of documentary quotations, serving to illustrate the spirit in which this letter was conceived and the purpose which it was intended to serve, and showing further that this spirit and purpose have been perfectly understood by you and your associates from that hour to this.

(1) On November 18th, 1896, as a result of the negotiations for the Mountain Iron Mine, a memorandum was adopted as outlining the situation. In that memorandum the closing portion of Article 9 reads as follows:—

"'Furthermore, that in consideration of the leases, they will make no more purchases or leases on the Missabe Range during the first ten years of the existence of the leases, or either of them.'

"This was fundamental in our contract. One of the prime motives for making this lease was to withdraw yourself and the Carnegie Company from competition in the purchase and leasing of Missabe properties. It was perfectly understood and the subject of lengthy conversations at the time.

"Following is the letter of December 4th, 1896, to which you refer. This letter is addressed to Mr. John D. Rockefeller, New York City. It is signed by J. G. A. Leishman, President, and Henry W. Oliver. Before I quote this letter I want to call your attention to another fact:—This letter was dictated and written by me and handed to you and Mr. Leishman for your signatures. I took particular pains not to put this letter in the form of a contract, because Mr. Rockefeller and myself relied more, in this matter upon the business integrity and personal honor of the men signing it than upon any possible formal legal document. You informed me verbally that this letter had been carefully considered by Mr. Carnegie and had his unqualified approval. I quote:—

"'THE CARNEGIE STEEL COMPANY, LIMITED,
"'Pittsburg, Pa., December 4, 1896.

"'DEAR SIR:

"'In view of the important and permanent business relations established by contract between the Bessemer Steamship Company, the Mountain Iron Company, the Missabe Mountain Iron Company and the Duluth, Missabe & Northern Railway Company, corporations in which you are largely interested, and the Oliver Mining Company, which Mr. Henry W. Oliver and The Carnegie Steel Company, Limited, control, it is our intention to purchase, at competitive rates, such Ores as we may not ourselves mine, from mines in which you may now or hereafter own a controlling interest, in so far as such mines can furnish ores required by us for what we may regard as the best and most economic furnace practice. We cannot, of course, enter into any legal contracts of this kind and write

these words simply in reciprocal recognition of courtesies extended by you. We take pleasure in saying further, in special recognition of your courtesy in the matter of leasing the Mountain Iron Mine, and not of course as a matter of contract, that it will not be our purpose, certainly within the first ten years of the existence of the Mountain Iron lease, to lease, or purchase any fee, in further Missabe properties. Should the mines now leased by us fail to furnish us the ore required, we think we may confidently rely upon the same mutual interest which has in the past controlled the respective policies of the Companies in which we and you are interested, to arrange new leases of some one or more of your iron properties which shall prove ample and mutually satisfactory.

"In the above we are speaking generally and do not mean to include manganese mines or special manganiferous ores.

"Yours truly,

"(Signed) JOHN G. A. LEISHMAN,
President.

"(Signed) HENRY W. OLIVER.

"To MR. JOHN D. ROCKEFELLER, New York, N. Y."

"I do not need to comment on this letter. It has the carrying out of the closing portion of Article 9 of our preliminary agreement, quoted above, and it was written of myself and signed by you. You and your Company have understood perfectly from that day to this that you were under moral obligation not to enter upon the Missabe Range to make further purchases or leases of mines during the first ten years of these leases. I need not allude to the numerous conversations with you in which the question of your further purchase of mines has been considered. I state in general:

(1) You have repeatedly announced that you had been offered properties, but, in view of the letter of December 4th, 1896, and the understanding, had refused to purchase the same, and you have frequently called attention to the honorable way in which you were carrying out, in letter and in spirit, our agreements. You have repeatedly done this with respect to the Rouchleau interest.

(2) You have occasionally asked our assent to your opening negotiations for properties on the Range. You have

invariably, first, asked us, and, second, stated that, of course, if the property was secured it would be turned over to us.

(3) In the case of the Franklin Mine:—You asked our assent to your purchase of the same and the same was granted, provided we get the freight, but you did not venture to enter upon negotiations for the Franklin Mine without first getting our consent. Finding yourself unwilling to pay the price for the Franklin Mine, we, ourselves, employed you as our agent to purchase the mine for us at a higher price than you were willing to pay, in which again there was failure.

(4) You asked our assent to a negotiation by you for the purchase of the Biwabik Mine. Here, again, you did not venture to negotiate for this purchase without securing our consent, calling me up by telephone from Pittsburg for the purpose, recognizing the moral obligation which you and your people had assumed. This assent was given under certain conditions which were named. You subsequently stated to me that you were unable to persuade your colleagues to make the purchase.

(5) You have repeatedly asked our assent to your purchase of the Ohio Mine, first, as to lease, and, second, as to fee, recognizing your moral obligation not to make this purchase without first getting our consent. This consent was invariably declined and you, therefore, declined all overtures for both the leasehold and the fee, and called my attention repeatedly to such declinations and how honorably you were carrying out our understanding.

(6) You asked assent to your purchasing the Norman Mine. Our assent was given on condition that we be given the haul from this mine. I call your attention to the fact that you did not negotiate for this property without first having secured our consent, recognizing the moral obligation in which you were placed in the letter of December 4th, 1896. You told me subsequently that Mr. Frick was very particular to inquire if you had the right to buy this mine and that you replied to him that I had given my specific consent to the same and you at the time commented upon the high sense of honor, characteristic of yourself and Mr. Frick, as illustrated in this conference.

(7) You asked consent that you might buy the Lowmore

Mine, adjoining the Mountain Iron. The following is a copy of your letter of May 9th, 1896, in which this request was embodied:—

"'Pittsburg, Pa., May 9th, 1898.

"'My Dear Mr. Gates;

"'The Aetna—Lowmoor property adjoining the Mountain Iron Mine will be of value when we begin to pump. I also find that its possession would improve the approaches to our Mountain Iron pit. Have you any objection to our negotiating for the above property or would you prefer to take it in hand for yourselves with the understanding that we would operate it?'

"'Very truly yours,

"'(Signed) Henry W. Oliver.'"

"Here you recognized your contractural obligations to us and asked if we had objections to your negotiations. I was annoyed that you should venture to raise the question, even of negotiating for properties, knowing that this would interfere with our business. I, therefore, immediately wrote you on May 10th, 1898, as follows:—

"'May 10th, 1898.

"'Dear Mr. Oliver;

"'I have yours of May 9th. We had already taken preliminary steps with respect to the Lowmoor property and are continuing them. The understanding with respect to Missabe properties which was had with you and your Company when we leased to you the Mountain Iron Mine is extremely important at the present time. The sentiment on the Range that you are open for further negotiations is a serious bar to successful negotiations on our part. You can assist us most by absolutely declining to entertain any approaches with respect to Missabe properties.

"'Yours very truly,

"'(Signed) F. T. Gates.'"

"This letter evidently touched you on a tender point—a point of personal honor and keeping a contract, and you replied practically by indignantly denying that you had ever entertained a thought of purchasing or leasing properties on the Range or entering on any negotiations for the same. You could not wait to write a letter. You instantly called me up by telephone and denied that you were open to any sort of negotiation on the Missabe Range, and, not content with this, you followed it up by a letter of May 12th, 1898. I want you to mark, on reading this letter that it was in reply to my letter of May 10th, pointedly calling attention to your agreement of December 4th, 1896. The letter of May 12th is as follows:—

"'Pittsburg, Pa., May 12th, 1898.

MY DEAR MR. GATES:

"'Confirming my conversation with you by telephone and replying to your letter, neither myself nor any officer of our Company has in any way considered the lease or purchase of additional properties on the Missabe Range. We have persistently informed every one applying to us, by letter or personally, that we had all the Missabe properties we needed, instancing generally the fact that we had a .15c. property lying unopened.

"At our Annual Meeting when we were arranging our programme for the season, our General Manager, Dr. Hulst, and our Superintendent, Mr. Gilchrist, expressed the view that we should secure some of the low phosphorus mines on the Range, as our proportion of non-Bessemer's was so large that our business at present prices was unprofitable. *I impressed them strongly with the instructions that they must quickly reject all suggestions of the acquisition of more properties.*

"'The following are some of the properties that have been pressed upon us: The Miller lands, the Shaw Lands, The Duluth Mining Co. lands, The Sauntry Lands, The Alpena lands, *The Rouchleau-Ray lands.*

"'I do not believe there is a person or Company interested in Missabe ore lands that has not been specifically told that we would consider NONE. You will therefore permit

me to doubt the accuracy of your information as to the sentiment on the Range that we are OPEN FOR NEGOTIATIONS. THERE HAS BEEN NOTHING EQUIVOCAL IN OUR ANSWERS TO THESE PEOPLE and you must allow me to say that it is *thoroughly well known* (This underscore your own) on the Range that it is NO USE APPROACHING US, ON ACCOUNT OF OUR RELATIONS WITH YOU.

"Yours very truly,

"'(Signed) HENRY W. OLIVER.'"

"Further comment is unnecessary. These facts speak for themselves. I do not pretend in these letters to exhaust our files in these quotations. I am simply giving you a few salient points. Of course, I need not tell you that this matter cannot be dropped or overlooked."

MR. FRICK: "I believe this has been brought about by Mr. Gates claiming he had just learned that the Oliver Iron Mining Company had purchased the Stevens, one-half of the Rouchleau and the Security Land Properties in the Missabe Range. Mr. Oliver is preparing a reply to this letter, claiming the properties purchased by the Oliver Company would have passed into other hands had we not stepped in and secured them. It is a question for the future if these properties should be turned over to Mr. Rockefeller. We must hear Mr. Oliver's side of the story first.

"I have always asked Mr. Oliver if we had the right to purchase properties as they were offered us, and he always said we had. I understand from Mr. Clemson and Mr. Gayley that Mr. Rockefeller expects to take up this matter with Mr. Carnegie direct.

"Mr. Oliver showed me a copy of a letter written by him to Mr. Gates, July 18, 1898, which will be embraced in his reply to the letter just read. It really is notice to Gates that unless he agrees to certain things asked by the Steel Company, it would be considered we were at liberty to protect ourselves by just such action as has been taken in the purchase of these several properties.

"When Mr. Oliver completes his letter, a copy will be submitted to this Board."

There being no further business, the Meeting, on motion, adjourned at 2:40 P. M.

F. T. F. LOVEJOY,
Secretary.

Copy to
A. C., Skibo;
H. P., London;
4 October, 1899.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, October 9, 1899, there were present MM. FRICK (Chairman), CURRY, PHIPPS, MORRISON, CLEMSON, GAYLEY and LOVEJOY (Secretary); also MM. GEORGE LAUDER, W. H. SINGER and H. P. BOPE. (MR. SCHWAB in Loretto; MR. PEACOCK in New York).

* * *

The folloing communication from the Chairman to Mr. Gayley, under date of October 9th, was read:—

"Will you have prepared, for Board Meeting today, statement of just what those properties are that we purchased in the Missabe Region, showing from whom purchased, extent of properties, their location, the amount paid, whether in fee or under lease. If under lease, the amount of royalty, and the minimum amount to be mined.

"Also, statement, for Board Meeting today, showing with whom we made Lake Ore charters for this year, when made, the amount of tonnage, and the rate paid."

A memorandum replying to the first portion of the Chairman's letter was read, as follows:—

	Acres.	Location.	Tons. Minimum.	Royalty.	Cost.
Leases of Rockefeller Properties.					
Missabe Mountain,	160	Virginia, Minn.	600,000	$.50	Nil
Lone Jack,	40	" "		.25	Nil
Mountain Iron & Rathburn	120	Mountain Iron, Minn.,	600,000	.25	$600,000
Our Own Leases.					
Fletcher,	80	Hibbing, Minn.,	36,000	.15	$ 87,000
Day,	40	" "	10,000	.30	
Norman,	40	Virginia, Minn.,	50,000	.25	$ 32,000
Stephens,	280	Biwabik, Minn.,	100,000	.15	$ 20,000
Our Own Fee Properties.					
Security Lands,	3200				$315,000
Rouchleau,	Undivided ½ of 160 acres				$500,000

Mr. Gayley: "The Fletcher and Day leases cover what we have called the Sheridan Mine. They were bought in 1895, before we had any understanding with Rockefeller.

"The Norman lease, Mr. Gates was familiar with, and only stipulated that they should have the hauling.

"The other properties we bought after the arrangement with Rockefeller."

• • •

At a Meeting of the Board of Managers of

The Carnegie Steel Company, Limited,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, October 16, 1899, there were present MM. Frick, (Chairman); Curry, Schwab, Peacock, Phipps, Clemson, Morrison, Gayley, and Lovejoy (Secretary); also MM. George Lauder and W. H. Singer.

• • •

MR. LAUDER: "We should take into consideration the price Ore is to be next year."

MR. FRICK: "Are we interested in that? We have our own Ore, but none for sale."

MR. LAUDER: "I think it is for our interest to have it go higher."

MR. CURRY: "I think it is to our interest to have the price pretty high. The conditions warrant it."

MR. GAYLEY: "The papers say the Ore Men have decided to advance Ore $2.00 for next season."

MR. SCHWAB: "I think with Mr. Curry it is to our interest to have high priced Ore."

MR. SINGER: "It looks that way to me."

Others spoke briefly to the same effect.

MR. FRICK: "Two dollars per ton does not seem very much of an advance.

"No action is necessary today but Mr. Gayley will keep in touch with the situation. Harry Oliver is in favor of high prices, is he not?"

MR. GAYLEY: "I think so, but we have not talked much about it."

* * *

"The following communication from Andrew Carnegie, dated at Skibo, September 28th, was read:—

* * *

"In regard to steel rails. The General Selling Agency will place several of the most important lines against us. They will aid other parties to go into the rail business. Mr. Huntington told me that when he heard that he was to be compelled to buy from one party, he had resolved not to buy a ton, but to give his contract for a period of years to another who wished to make rails.

"My view is that sooner or later Harrisburg, Sparrow's Point and Scranton will cease to make rails, like Bethlehem. The Autumn of last year seemed as good a time to force them out of the business as any other. It did not prove so. The boom came and cost us a great deal of money. This year it

seems to me the chances are all in favor of high prices for rails, upon which Eastern concerns can live. It is not a good time for us to fight. Therefore, I favor making arrangements this year, but it should be upon a basis very different from that which has prevailed with Eastern Mills, which had an unfair proportion."

* * *

MR. SCHWAB: "At a Meeting of the Rail Makers, it was decided to make the price of rails $35.00, beginning next Monday."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, October 24, 1899, there were present MM. FRICK (Chairman), CURRY, PHIPPS, MORRISON, CLEMSON, GAYLEY, and LOVEJOY (Secretary); also MM. GEORGE LAUDER, W. H. SINGER and H. P. BOPE. (MM. SCHWAB and PEACOCK in New York.)

* * *

MR. BOPE: * * * "We submit herewith a statement of the Sales of Standard Rails, first quality, reported to the New York Committee November 18th, 1898:—

Carnegie	734,246	Gross	Tons.
Illinois	680,743	"	"
Cambria	169,657	"	"
Colorado	96,235	"	"
Total	1,680,881	Gross	Tons.

Sales of Rails for delivery in 1900, not including Balances which will be carried over from 1899.

Carnegie	321,000	Gross Tons.
Illinois	230,000	" "
Cambria	32,500	" "
Colorado	53,200	" "
Pennsylvania	40,072	" "
Lackawanna	130,415	" "
Total	807,187	Gross Tons.

* * *

MR. FRICK: "Mr. Schwab stated to me some days ago that Keystone was in such bad shape he did not consider the Works worth more than Scrap. I do not know but he is right as to that. Rather than let the deal fall through, would the Board be willing to change the terms of payment to

$500,000 Cash,
1,500,000 Preferred Stock,
1,500,000 Common Stock,

with collateral of $1,000,000 Common and $450,000 Preferred Stock, for the purchase from us, within one year, for $1,000,000, of $1,000,000 Preferred Stock and $1,000,000 Common Stock?"

MR. PHIPPS: "I can confirm the President's views as to the physical condition of the Works. The machinery is antiquated and insufficient, cranes are too light, and material cannot be handled to the best advantage. The Plant is really in very bad shape. If we do not dispose of it, we will certainly have to make a very large outlay, virtually rebuilding the Plant."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, November 6, 1899,

there were present MM. FRICK (Chairman), CURRY PEACOCK, PHIPPS, CLEMSON, MORRISON, GAYLEY and LOVEJOY (Secretary); also MR. W. H. SINGER. (MR. SCHWAB in New York).

The Minutes of the Meeting of the Board of Managers held October 30, 1899, were read, and, on motion, approved.

Mr. Peacock, as General Sales Agent, submitted the following reports:—

"We submit herewith a statement in Gross Tons, of the total sales of Standard Rails, first quality, reported to the New York Committee by the different members of the Rail Association since October 1st, 1899:—

Carnegie	458,816
Illinois	510,743
Cambria	90,197
Colorado	54,505
Pennsylvania	156,470
Lackawanna	198,306
Total	1,469,037

"The tonnage of first quality Rails reported as carried over October 1, 1899, for shipment during the remainder of this year, is as follows:—

Carnegie	131,290
Illinois	164,487
Cambria	41,208
Colorado	3,700
Pennsylvania	87,167
Lackawanna	59,342
Total	487,194

"The following tonnages have thus far been reported as sold for delivery during the year 1900:—

Carnegie	323,982
Illinois	346,024

Cambria	47,250
Colorado	42,200
Pennsylvania	65,572
Lackawanna	138,915
Total	963,943

"The first statement shown above includes (in addition to the tonnages carried over October 1, 1899, and the sales for 1900), some small current sales for shipment this year."

MR. PEACOCK: "Sales of Rails for Foreign shipment are not included in the above, as the New York Committee has nothing to do with these."

"The statement given below compares our estimated obligations (for the classes of material specified) at the opening of business, Thursday, October 26th and November 2nd, 1899:

Material	Oct. 26th	Nov. 2nd.	Difference.	
Standard Rails, 50 # and heavier	210,645	214,016	Gain	3,371
Light Rails, under 50 #	4,706	3,872	Loss	834
Billets, Blooms & Slabs 4" and over	109,415	104,083	Loss	5,332
Billets, under 4"	27,145	24,508	Loss	2,637
Sheet Bars	46,355	41,675	Loss	4,680
Ingots	22,766	21,785	Loss	981
Splice Bars	15,473	15,325	Loss	148
Structural — Ship	275,253	267,432	Loss	7,821
Plates (excluding Nickel Steel,)	86,155	100,912	Gain	14,757
Nickel	4,720	4,642	Loss	78
Bars	27,695	28,001	Gain	306
Axles	9,654	9,230	Loss	424

Unentered Coolgardie plates for shipment after December 1st	15,277	15,277	——	
Total	855,259	850,758	Loss	4,501

All in Gross Tons, based upon our maximum obligations.

MR. PEACOCK: "The tonnage of Standard Rails does not include 287,000 tons which have been sold, but for which Contracts have not been returned to us executed.

"On Quarterly Contracts only tonnages for delivery this year have been included.

"On Structural Material and other Products, there have been included only the tonnage for which we have received specifications.

* * *

"The summary of important sales for the month ending October 31st, 1899, is as follows:

Net Tons.	Material.		Average Price Per Lb.	Average Price Net Ton.
33,920	Struc'l & Ship (11,000 tons to Lassig on old Contract at 2:04.)	—Domestic,	2.135c.	$42.70
4,870	Struc'l & Ship	—Foreign,	2.155	43.10
26,188	Plates (Nearly all to Pressed Steel Car Co. for B. & O. cars.)	—Domestic,	1.432	28.64
267	Plates	—Foreign,	2.75	55.00
4,347	Bars	—Domestic,	2.239	44.79
1,513	O. H. Axles,	—Domestic,	3.187	63.74

71,105=TOTAL NET TONS.

Gross Tons.	Material.		Average Price Gross Ton
6,350	Ferro-Manganese (5200 tons to National at $84.15; 250 tons to Apollo at 84.00; Balance in small lots at 100.00.)	—Domestic,	$85.93
61,148	Billets & Slabs (Nearly all on Sliding Scale Contracts.)	—Domestic,	29.24
26,200	Scrap	—Domestic,	32.38
28,890	Standard Rails—1sts	—Domestic,	33.14
2,854	Standard Rails—1sts	—Foreign,	29.74
3,235	Standard Rails—2nds	—Domestic,	32.21
55	Standard Rails—2nds	—Foreign,	27.90
470	Light Rails	—Domestic,	33.78
395	Light Rails	—Foreign,	30.57
5,033	Splice Bars	—Domestic,	44.14

134,630=TOTAL GROSS TONS.
205,735=GRAND TOTAL TONS.

* * *

MR. GAYLEY: * * *

"HARTFORD MINE: We have made purchase during the past week of the lease of the Hartford Mine, owned by the Hartford Iron Mining Company. This Mine is located about two and a half miles from our Lake Superior Mines, at Ispeming, Michigan. It is a continuation of the Cambria Mine, which has already produced about 1,200,000 tons of ore. We obtained an option on the lease of this mine some four months ago and have been exploring the property since that time. With one diamond drill we have penetrated through eighty feet of Ore. A second drill hole put down at a distance of a quarter of a mile from the Cambria Mine line is now drilling ore. There appears to be two lenses of ore on the property, and as the ore exists in the form of a basin, the indications are that a large amount of ore has been developed. The rec-

ords of our diamond drill show 64% to 65% iron and .035% phosphorus. The ore is Hematite, resembling the Norrie. We have used in years past considerable quantities of the Cambria ore. Our mining Managers are unanimous in the opinion that we have obtained a large body of excellent ore. The price paid for this lease is $75,000.00.

"BESSIE MINE: The Bessie Mine is located about fourteen miles from Ispeming on the Duluth and South Shore Railroad. This property was recently condemned by MM. Oglebay, Norton & Co. and afterwards we obtained an option on the property. Our explorations show 50,000 tons of ore developed in the mine and our mining managers think that the location is good for a fair deposit of ore. There is a shaft on the property through which we are now hoisting ore, and expect about 30,000 tons this year. The ore is non-Bessemer, resembling the Iron River ores, and is a Hematite of coarse structure, an excellent ore for Furnace use. The lease of this mine is secured without any cost. The royalty on the ore is on the basis of ten cents per ton for ore selling at $1.10 at the mine. The royalty this year will be twenty cents per ton. On other property owned by the same parties as the Bessie Mine, namely, the Michigan Iron Land Company, we have arranged for exploration at the Riverside Mine. This is in the nature of a prospect, on which work was done many years ago, but on account of the ore being non-Bessemer and not as rich in iron, as was demanded at that time, nothing has been done since. The outlook for ore at this point is likewise good. In addition to this we have many other explorations now in progress, and information relating thereto will be reported in due course. These explorations are on options which, in the majority of cases, will not cost us anything for a lease, and in other cases in small amounts to be paid principally out of royalties."

MR. FRICK: "How much additional Royalty will we have to pay on our Leases, if the base price of Ore at Cleveland is fixed for next year at $5.00?"

MR. GAYLEY: "The increase in the amount of Royalties, resulting from an advance of the base price of Bessemer Ore to $5.00, would be as follows:—

	Present Royalty.	Increased Royalty.	Total Increase Based on Tonnage to be Mined Next Year.
Norrie.	$0.25	$0.35	$60,000.00
Tilden.	0.25	0.35	45,000.00
Aurora.	0.30	0.44	21,000.00
Pioneer.	0.33	0.47	63,000.00
Non-Bessemer. . .	0.10	0.20	13,000.00
		Total.	$202,000.00

• • •

MR. FRICK: "Referring to the Union Steel Company, recently organized by MM. Mellon and Donner, to build a rod, wire, and nail plant on the Monongahela River;—I am told that all the important machinery has been contracted for but that a definite location for the Plant has not yet been decided on. Two points are being considered. Mr. Carnegie cabled, if the report that Mellons are going to build be true, notify them that we will erect a wire plant. Mr. Mellon said to Mr. Schwab, I believe, that the matter had gone too far; that their original intention was to go into the tube business, but that I had informed them that they would better leave that alone, as it might interfere with us. This is true, and I must admit that I rather encouraged Mr. Mellon in the idea of building a nail plant, for the reason that I think we have sufficient on hands for the present, and that it is to our interest to have some friends in that business who will be our customers for billets. As sure as fate, as soon as the American Steel & Wire Company are in position to supply their own steel, they will take none from us, and they have never yet lived up to their contracts when prices went against them.

"Would the Board think favorably of our taking a half interest with Mellons and Donner? I think this might be arranged, judging from a little talk I had with Mr. Mellon. Donner would be the active man, of course, and he is a man of ability. They have always expected to arrange with us, if they could, for billets.

"What would be better, to my mind, would be, for the present, an arrangement to sell billets, coupled with an option

to purchase a half interest, good during the term for which we would agree to supply them with billets. Would not this be better than to go into the wire business ourselves?"

MR. SINGER: "An arrangement to furnish billets, with such an option, would be a good thing. Our principal object is to get customers for billets. There is such a thing as getting too much detail on our hands."

MR. PEACOCK: "I would strongly favor making an agreement with them, coupled with such an option. It does not cost anything, and might be a good thing. I don't think we should go into the wire business again."

MR. GAYLEY: "I would prefer to sell billets, rather than go into the wire and nail business."

MR. CLEMSON: "I think we will be forced to go into more lines of finishing, but if we can get an interest with the right people, and let them attend to the details, it would be all the better for us."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, November 13, 1899, there were present MM. FRICK (Chairman), CURRY, SCHWAB, PEACOCK, PHIPPS, MORRISON, CLEMSON, GAYLEY and LOVEJOY (Secretary); also MM. GEORGE LAUDER and W. H. SINGER.

* * *

The following report from MM. Gayley and Clemson, dated November 10th, was read:

* * *

TILDEN MINE:

"We expect to produce 550,000 tons this year, a larger quantity than the mine has yet produced. There is a capping of manganiferous ore in quantity about 220,000 tons, covering 2,000,000 tons of the best ore in the mine, and the latter could not be mined without wasting the former. This manganiferous ore will be mined this year to the extent of 150,000 tons, 75,000 tons of which will contain 3.5% manganese and

75,000 tons with 1.70 manganese. As the sellers of manganiferous ore are asking an exorbitant price this year, we will use the 3.5% manganese for Spiegel, and have arranged to sell the lower manganese.

* * *

MR. FRICK: "Mr. Oliver has submitted to us a copy of his letter to Mr. F. T. Gates, President, in reply to a letter from Mr. Gates, submitted to the Board October 2nd."

The same was read, as follows:

"Immediately on receipt of your letter of September 26th, with Mr. Gayley and Mr. Clemson of our Board of Directors, I called on you in New York—made answers to the charges contained in your letter—and arranged that I would, prior to my next visit to New York, write you a letter giving in detail our side of the question, which letter you promised you would lay before Mr. John D. Rockefeller. Your letter in its premises is correct with the following changes:—

"1st: The memorandum referred to in Paragraph 1 of your letter is *not* dated November 18th. The memorandum of November 18th was cancelled by one made by you in your office in November 24th headed 'TENTATIVE & PROVISIONAL.' Article 9 of which memorandum reads:

"'The Oliver Company, or the two Companies owning the stock of the Oliver Company, will not make any purchases or leases on the Missabe Range of ores of the same character as the mines leased or named during the first ten years of the existence of the leases, or either of them.'

"The difference in your memorandum of the 18th and the final memorandum of the 24th is material on account of the words "Of ores of the same character."

2nd: You have undoubtedly forgotten that in my conference with you and Mr. J. D. Rockefeller, Jr., regarding the Franklin Mine, I could not persuade you to agree that, in case of our purchasing that mine, its product should be deducted from the burdensome minimum on our Virginia Mines. The proposition I made was that we purchase the Franklin and make a contract to give your Railroad the freighting of all the ore from the mine, with a minimum arranged as stated above. The remainder of your letter (excepting the Biwabik and Ohio questions which I will allude to hereafter) is cor-

rect and shows how steadily, persistently and continually my associates and I deemed it our duty, regardless of our interest, to live up to a moral, or even an implied obligation. I recall to you that the changes in the memorandum were the result of long negotiations—that it did not look at that time as if the contract was to be one-sided—that we had options on other large properties on the Range at a less Royalty than fixed by you—that we were giving you an enormous minimum, greater than ever thought of before, sufficient in amount to make certain return on your railroad and steamer interests, and, in addition, $600,000.00 in money.

"Naturally in the above view we qualified our writings in such manner, and with such understanding on our part, that if we dedicated the great regular and growing business of the Carnegie and Oliver interests on the Missabe Range to the use, and for the benefit, of your mines and Transportation lines, that by rules of reciprocity and following out all lines of business teachings, we should surely be taken care of, at least so far as *your* sales or contracts were concerned, so that the ore we consumed from your mines, and freighted over your railroad, should not cost us more than the ore your competitors consumed, from your mines, and freighted over your railroad. The truth is, that considering our great investment—our early alliance with you—our large and regular annual consumption, the ores we consumed from your mines should have cost us a very much *less* price per ton than the ores our competitors consumed from your mines.

"Conceding substantially the forcible and apparently conclusive arraignment of our actions made in your letter, I present a statement of the causes that led up to our change of policy, and the consequent purchase by us of ore properties on the Missabe Range. On the first page of your letter you assume that a paragraph of one of the numerous, but not the final 'Tentative and Provisional' memoranda that were drawn and re-drawn many times during the negotiations that preceded our treaty was 'Fundamental in our contract.' Allowing that such was the case from your point of view I submit a copy of a memorandum which I have before me, dictated by you in your office, type-written in form, excepting only the interlineations which are in ink in your handwriting:

"Replying to your fear that in the proposed deal, other

consumers, competitors of yours, might, at some time, possibly secure ore through other channels of transportation, or our own, cheaper than yourselves: We might perhaps discuss an arrangement by which we shall agree that, barring mining costs, which would be under your own control, and the risk of which you must assume in competition with others, and barring royalty, which cannot be changed, (below 25c. for all but MM.), we are to undertake to guarantee that you shall secure such of your own ores as you mine from the mines under consideration and transport over the Duluth, Missabe & Northern Railway, as cheap—quality for quality—as any other consumer. This guarantee to afford *the necessary rebate* (the rebate provided for only) on the amount of (such cheaper) ore delivered to your competitors at Lake Erie ports. This will not apply to any possible (present or) future competitors who may own their own railroads or vessels, the idea being that your ore shall not cost you at Lake Erie ports more than other ore costs other competitive *consumers* (not transporters)—quality for quality—barring mining costs and royalty.

(NOTE. The italicised words were scored through in the original minutes.)

"I maintain that the above is 'fundamental in our contract, one of the prime motives for making the lease,' fully as much as the paragraph you quote from the initial memorandum which you make the text for your letter.

"From the tone of your letter, and from the course of your actions in taking care of our competitors during the past three years, you appear to have forgotten the above expressions, and to have proceeded to see how many of our competitors you could give not only one year, but *ten* year contracts, for the sale in large quantities of your Missabe ores at prices (taking the quality into the calculation) 20c per ton less than our ores cost us in 1899, and 85c. per ton less than our ores will (on account of the advance in Lake freights) cost us next year.

"The result of our first year's business operations under the new lease was so unsatisfactory that in March, 1898, I wrote you the following letter:—

"'MY DEAR MR. GATES: "'March 17, 1898.

Mr. Mather representing the Minnesota Iron Company, informs us that they have settled on a $2.20 basis for Missabe

Ores for this season's business. He adds that they will make every effort to maintain the prices fixed and will not deviate therefrom unless convinced that lower prices are being made by their competitors.

"We write to urge that in this important matter your Company should give every consideration to the fact that our Company and other shippers on your line of railroad have made heavy investments, which, on the average, will yield but slight return, at the above prices; and that, furthermore, we esteem it to be your duty to co-operate in every way with the Minnesota people in securing uniform prices for this year's output of Missabe ores. Kindly excuse us for suggesting that, in our judgment, you are the stronger party; that your clients and yourselves possess the greater tonnage on the Range; and although this fact should secure your railroad a share of the trade commensurate with the tonnage controlled by your tributary interests, that for this season at least, as a measure of protection to your tenants, you should make concessions and strive in every possible way to maintain prices. We think it would be better for your line to possibly carry a little less tonnage and strengthen the interests on which you depend for revenue.

"'Yours very truly,

"'(Signed) HENRY W. OLIVER,

"'President.'

"Again after ascertaining the result of our first year's shipments from your mines under your lease, viz., the season of 1897, I wrote you the following letter:

"'July 18, 1898.

"'My dear Mr. Gates;

"'I enclose letter from The Carnegie Steel Company, Limited, showing shipments from the Missabe Mountain and Lone Jack Mines. I have had several conferences lately with my associates in regard to the loss in producing above ores, and we are all clearly of the opinion that the spirit of our agreement, when we placed ourselves entirely in your hands so far as Missabe ores are concerned, warrants us in requesting a reduction of royalties.

"'With the Minnesota Iron Company selling an ore sixty

per cent. (60.00%) in Iron and .06 per cent. Phosphorus, at $1.75, it is easy to calculate our loss at our Virginia Mines.

"'As to the Mountain Iron Mine, the Phosphorus averages .05 per cent. After charging off a sufficient proportion of our investment there of $600,000.00, that ore costs us more than that sum for which we could buy Missabe ores. Within the last few days the Isabella Furnace Company made a purchase, at $2.15 per ton, from the Biwabik Company, of ore guaranteed under .03 per cent. Phosphorus.

"'We claim that you took the initiative in this matter when you reduced the Biwabik royalty, (with its low phosphorus and high iron), so that you receive only ten cents per ton royalty; and when you made a long contract with Jones & Laughlins, our closest competitors, for Adams Ore, at a price very much less than our cost.

"'With the advantage you have on both rail and lake freight rates, it is manifestly unfair to ask us to give you more royalty per ton for the unsalable product of the Virginia Mines than you consent to receive as your proportion of the Biwabik royalty.

"'We request that you modify our contract and reduce the royalties from our Virginia mines as follows:—

Missabe Mountain, to 35 cents per ton;
Lone Jack, to 15 cents per ton.

"'We raise no question as to the royalties at Mountain Iron, though it will be obvious to you that there is little comfort there when we consider what our competitors are paying for Missabe Ores. But at the Virginia Mines the situation is glaring, and very little reflection will convince you that it is also impossible.

"'In discussing this matter we suggest that the question of your guaranty that we should have ores at Lake Superior ports at as low cost as our competitors be left in abeyance. We rely upon your fairness and good business sense; and we ask that you act up to the spirit of our agreement, treating this large matter in a broad way. Do not put us in the position that (after placing ourselves entirely in your hands, and after expending or obligating ourselves for the expenditure of a million of dollars) we shall not have our

ores at better prices (not as low prices,—that is not fair) than our competitors, who had not the courage nor the wisdom to go in with you at an early date, but who, after coquetting with your competitors, have finally landed in your arms.

"'I also remind you of the strong position in which one of our great competitors has been placed by the Minnesota Iron Company, who contract to give the Illinois Steel Company a million tons of Missabe Ores annually, during a term of twenty years, at as low a price as the Oliver Iron Mining Company could produce their Rockefeller ores. I insist that it was not contemplated, during our negotiations, that you should allow indirectly, the Illinois Steel Company; and, directly, the Youngstown manufacturers, through your Biwabik deal; and Jones & Laughlins, through your Adams deal, to be substantially in a stronger position on Missabe Ores than we are.''

"'We cannot hold you to account for the action of the Minnesota Iron Company, but we can surely raise the question that the intent of our agreement was that in placing ourselves entirely in your hands we had nothing to fear from any source so far as Missabe ore was concerned.

"'At the conclusion of our negotiations two years ago it was required by you that letters be addressed to Mr. Rockefeller by The Carnegie Steel Company, Limited, and myself, stating our views of our alliance and assuming a moral obligation as to our future action regarding Missabe Range properties. Such obligation should be mutual, however, and we think our action at that time has a direct bearing on the present condition of affairs.

"'We therefore beg that you will lay this letter before Mr. Rockefeller. We are satisfied that when he considers all the facts of our alliance and the loyal manner in which we have lived up to every requirement of our agreements—direct or implied—he will advise that your Company relieve the situation by modifying the Virginia Mine royalties as indicated above.

"'Yours very truly,

"'(Signed) HENRY W. OLIVER,

"'President.'

And herewith is the Carnegie Steel Company letter above referred to:—

"'THE CARNEGIE STEEL COMPANY, LIMITED,

Pittsburg, Pa., July 15th, 1898.

"'MR. HENRY W. OLIVER, President,
Oliver Iron Mining Company,
Building.

"'Dear Sir;

"'I wish to call your attention to the following comparison showing average analyses of the ores produced last year, and this season to date, from the Missabe Mountain Mine and Lone Jack Mine:—

DULUTH ANALYSES.
COMPARISON BETWEEN PREBLE AND JUNIATA ORES AT JULY 1, 1897, AND JULY 1, 1898.

Grade.	Tons.	Iron.	Phosphorus.	Moisture.
1897—Preble....	90,000	59.708	.080	9.72
Juniata...	76,000	60.044	.079	10.38
1898—Preble....	32,000	58.334	.087	12.58
Juniata...	58,000	58.216	.070	14.73

"'You will note not only the lower percentage of Iron but the great increase in Moisture. Last year the Juniata averaged 54% Iron in natural state, while this year it is down to 49%. Moreover, the daily analyses sheets from the mine are showing a content of Water from 15 to 17 per cent. We have so far this year only won 12,000 tons of the Oliver grade from these properties, the remainder being lean high Phosphorus ores. The continued heavy production of these low grade ores is making a condition of affairs at our Furnaces which is becoming unbearable.

"'Unless you see some hope of relief, I strongly recommend that the question be taken up and thoroughly gone through at an early date, of the advisability of abandoning the above properties, and substituting therefor some Missabe

Range property of assuredly better grade. Ignoring entirely the loss in mining these high Phosphorus, low iron ores, we simply cannot continuously handle so much low grade ore in our Bessemer mixtures.

"'Yours very truly,

"'(Signed) JAMES GAYLEY.'

"'My letter, and my numerous personal interviews in which I appealed for relief, finally brought about an understanding, as per memorandum made in your office, November 16th, 1898, (a copy of which I herewith append). In this memorandum concessions were made on both sides. We waived the guarantee railroad clause in your leases, and gave you the Norman mine, and you reduced royalties and gave us the Ohio mine, etc. This agreement was satisfactory to us—the details were all settled—the papers placed in our respective lawyers' hands—they had two meetings thereon when you abruptly stopped all proceedings, and although I repeatedly brought the matter up, you refused to consider the question thereafter.

"'BIWABIK MINE: As you state, I asked your consent and assistance in helping us to secure the above mine. I represented to you the help it would be in using the low phosphorus Biwabik to help work up the high phosphorus ores we were taking from your other mines. At the very time we were pleading with you to reduce your royalty of 25c per ton on the Missabe Mountain (we never asked a reduction on the Mountain Iron) with its high phosphorus ore, you reduced the royalty you were to receive on the Biwabik ore to our Youngstown competitors, the Ohio Steel Company and others, to 10c per ton. It will be seen by the Carnegie Steel Company's letter of January 14, 1899, that the Biwabik ore is worth 38c per ton more than the average of all our Missabe ores in 1898. All these facts were placed before you.

"'Following the Biwabik question, you state in Paragraph 4 that we 'Recognizing the moral obligation which you and your people had assumed we asked your assent, etc.' It is true that we asked your assent. The conditions, however, which you named were that we could buy the property pro-

vided an agreement was made that we would sell the lease to you at the same price we paid. Of course we could not consider the investment of $600,000.00 under such conditions. The Ohio Mine is a more flagrant and distressing case than the Biwabik. The property stands on our line—the bare ore body rising before us—a precipice 130 feet high, continually breaking down on our property. I do not wish to raise an issue in regard to your recollection, or my memory; I will simply say that it has been the understanding, substantially from the execution of our lease, that we should have the working of the Ohio property. At your request we turned down all offers to buy the lease. Continually in negotiation with you we refused to even meet the fee owners to discuss the purchase. We assisted you in every way to secure the property, with the understanding that, as it was the natural extension of the Missabe Mountain and Lone Jack ore deposit, we should operate it through our mine. We purchased the adjoining Norman mine with your assent, and the understanding that we would make a through-cut through all the properties. The mine cannot be worked economically except through our Missabe Mountain pit. At times you would be on the eve of giving us a lease, but continuous pressure failed to bring favorable action. Its use by us would have prevented the loss we show in Mr. Gayley's statement giving the result of our mining operations on the Missabe Range.

"'In the Biwabik incidentally, but in the Ohio positively, we maintain that you have broken the proviso contained in the Carnegie-Oliver letter which reads:—This letter as you state in page 2 of your letter was written by you for our signature.

"'Should the mines now leased by us fail to furnish us the ore required, we think we may confidently rely upon the same mutual interests which has in the past controlled the respective policies of the Companies in which we and you are interested, to arrange new leases of some one or more of your iron properties, which shall prove amply and mutually satisfactory.'

"Your refusal in December last to make an agreement leasing us the Ohio Mine, increasing our minimum on our other leases, and reducing our royalties, the consummation

of which understanding would undoubtedly have prevented further friction, put us in an unpleasant state of mind that was intensified on the receipt of the following letter and statement; a copy of which I handed you in person in February last at your office in New York:

"'THE CARNEGIE STEEL COMPANY, LIMITED,
PITTSBURG, PA.,
JANUARY 14TH, 1899.

"'MR. HENRY W. OLIVER, President,
Building,

"'DEAR SIR:

"'I have obtained a final analysis of the ore produced from our Missabe Range Mines in 1898. I have computed its value based on its contents in Iron, Moisture and Phosphorus, and compared with Biwabik ore. The grand average value of all ore from Mountain Iron and Virginia computed as above, proves to be $1.77 per ton.

"'I attach a statement showing our expenses and earnings from our Missabe Mines for 1898, showing a deficit of over $420,000.00.

"'Yours very truly,
"'(Signed) JAMES GAYLEY,
"'Assistant Treasurer.'

MISSABE RANGE MINES, 1898.

Pay Rolls, Supplies, Taxes and Depreciation of Plant	$ 281,961.40
Royalty	287,306.41
Rail Freight	840,250.00
Lake Freight	638,275.00
Payment on account, Mountain Iron Mine, Principal and Interest	130,000.00
Interest and General Expenses	73,521.84
	$2.251,314.65
Sales, 1,034,263 tons at $1.77 per ton	1,830,645.51
DEFICIT	$ 420,669.14

"To add to our discomfort it was shown to us that about the middle of January last, your Cleveland agents apparently ignoring, or blind to the improvements in the Industrial situation, and the advance in all metal products, were executing contracts for one year sales, and for ten year sales of standard Adams ore, under a guarantee of quality of 64% iron .035 in phosphorus, the price for the one or the ten years to be $2.20 per ton delivered at Lake Erie ports, and in some leases, $1.60 at Duluth, with a guarantee of 60c Lake freight.

"The above ore is worth commercially 38c per ton more than our product of all our Missabe Mines for 1898. The knowledge of these transactions which may have been under negotiation for some time, but which culminated at the period above stated, made an ugly feeling in our minds, when we considered that the 50,000 tons of Adams we bought from you at about the same time—probably a little later, but to houses like ours there can be no change in season's prices—cost us under the same guarantee $1.75 per ton at Duluth, or $2.37½ delivered, with 62½c freight.

"But to the point, and in answer to your letter demanding an explanation of our action in changing our policy regarding the purchase of new properties. Although what I have written would be sufficient cause, and probably prepared our minds for our change in policy, the information that decided us to purchase the properties we acquired is as follows: It was stated to us (and the course of events on the Missabe Range in the past eight months shows the news to be true) that Mr. James J. Hill, of the Great Northern, would build a railroad in any direction where he could get business on the Missabe Range, and that Mr. John W. Gates, in alliance with him, was in the market to purchase any or all properties he could secure to feed the new railroad with traffic. The properties we purchased, containing, as nearly as the engineers can estimate, about 100,000,000 tons of ore, had been grouped by speculators last fall, two of them held under option; and the third, the Rouchleau, under negotiation, for sale to Philadelphia parties, who were trying to persuade the Pennsylvania Railroad Company to invest in Minnesota, for the purpose of giving their three lines from Lake Erie to Pittsburg ore traffic, with a view of taking care of their customers in

opposition to the Carnegie Bessemer Railroad. In addition, the parties who had been working for two or three months with the Philadelphia people fearing failure had taken the properties to, and in fact negotiations had been commenced with, the James J. Hill and John W. Gates interests. The Rouchleau had progressed to such a point that if we had not acted on the moment we would have lost the property, as a very much larger sum of money was offered the next day by Mr. Hill, not through intermediaries, but direct to Mr. Higgins for the property. There was no possibility of you securing it. If we had not purchased, it would to-day have belonged to your competitor, the Hill, and our competitor, the Gates, interests. On the other properties there was no question but that the intermediaries who had them in hand would have disposed of them, if we had not quickly and promptly secured them. The Rouchleau property we suppose, of course you would have been willing to purchase at your price; the Security and Stephens properties, we understand on unquestioned authority, were offered to you at substantially the same price and terms that we paid, and you refused to consider their purchase.

"The above are facts, not surmise, or general report, or rumor, but actual verified facts, and from them I state positively that the three properties would have been sold to outsiders if we had not stepped in and purchased them. It was not possible for you to secure the properties. The Sauntry property (which I often insisted on you purchasing) was sold in a minute to the John W. Gates American Wire Company interests at a price 50% above that for which you could have purchased it. The old manufacturing companies were but feebly in the market for Missabe properties, being dazed by your low prices for ore to Jones & Laughlins, Girard Furnace Company, Atlantic Furnace Company, and your agents offering to other parties for ten years deliveries at $2.20 per ton.

"The demoralization in the ore property market caused by the above amazing contracts did not deter the new Steel Companies from entering the market, and they were eager to purchase Missabe properties at prices that you or I would not for a moment consider. The American Steel & Wire

Company, Republic Steel & Iron Company, the American Steel Hoop Company (all competitors of ours, and two of whom at least will give all their rail freight to competitors of yours) flushed with their new-found cash in their working capital, all made purchases on the Missabe Range, some of them before their corporate organization was complete. From our knowledge of your views regarding values, and from our experience in all business matters connected with our operations during the past few years, we were of the opinion that it would have been useless, even if there had been time, to have presented these properties to you for purchase. It was, therefore, an absolute necessity for the protection of our interests that we would make the purchase of these Missabe properties, and if we had not done so promptly and quickly, they would have passed from either your or our hands forever. You apparently were not noting the quick, nearly instantaneous, change in the times, which substantially doubled values of all substances connected with the steel trade within one month's time.

"We did not hesitate to act quickly when it came to the question of building up our competitors by allowing them to secure one hundred million tons of Missabe ores. We did not conceal our action. The Security Company purchase had to be kept quiet until we made certain of securing all the shares of stock; the other purchases were made public at once, and I stated our transactions at the first interview had with you after the consummation of the purchases.

"My associates and myself received with astonishment the contents of your letter. We thought you would welcome the acquisition of these properties by your friends rather than by those in alliance with your competitors. We propose, if you will assist us, by taking our interests into greater consideration than you have heretofore, to work closely in harmony with you in every way on all matters connected with the Missabe Range. We beg to remind you of our timely, rather bold, but thoroughly successful, action in your interest at a critical period in connection with railroad matters in Minnesota. Our voluntary work was done solely with the desire to protect your investments.

"It is our intention to largely increase our consumption

of Missabe ores; our shipments in your railroad for the ensuing season will be nearly 50% in excess of our shipments this year. You will find in time that the Carnegie-Oliver interest, protected as they are by their ownership of fuel, will have a degree of permanency in their business methods and a capacity for expansion in their ability to consume ore, quite different from the many Stock Companies into which the steel interests appear to be merging, and also, which is more important, that we are, and wish to continue to be, your allies, and to work with you in harmony for the betterment of our mutual interests.

"Yours very respectfully,

"(Signed) HENRY W. OLIVER."

* * *

The following communication from James Gayley, to the Chairman, under date of November 10th, was read:—

"In view of the demand of Mr. F. T. Gates, President of the Consolidated Company, that we turn over to them our holdings on the Missabe Range, it is well to consider another aspect of the case in addition to that presented by Mr. Oliver:

"*First.*—The persons controlling the Missabe Range will in the near future, control the price of ores, or until the discovery of a Range substantially as important;

"*Second.*—The ownership of the three great Companies on the Missabe Range, in acres, is approximately as follows:

	Fee.	Leased.	Total.
Federal Steel Company	29,400	640	30,040
Consolidated Company	10,841	6,380	17,221
Oliver Iron Mining Company	3,480	800	4,280

"*Third.*—Twenty-five per cent of the Oliver Co.'s ore is held under lease from the Consolidated, as follows:

	CONSOLIDATED LEASES.	
Mountain Iron..	12,000,000 tons.	
Missabe Mountain	12,000,000 "	
Lone Jack	2,000,000 "	26,000,000 tons.
	OTHER LEASES.	
Sheridan	4,000,000 tons.	
Norman	2,000,000 "	
Stephens	40,000,000 "	46,000,000 tons.
	FEE.	
1/2 Rouchleau ...	20,000,000 tons.	
Shaw	12,000,000 "	
Sparta	3,000,000 "	35,000,000 tons.
	Total	107,000,000 tons.

"Thirty-three per cent. of the Oliver Co.'s tonnage is owned in fee, with excellent prospects of developing more ore on fee lands.

"*Fourth:* The royalty under the Oliver lease which covers eleven per cent. of all the Oliver Co.'s Missabe ore is fifty cents per ton, or 60 per cent. higher than the next highest royalty on the Range, and five hundred per cent. higher than the lowest.

By the terms of the Consolidated leases, the royalty must be raised by as much as the rail rates to Lake Superior are reduced.

"*Fifth:* "Ore can be carried from the Range to Lake Superior on a 40 cent rate at a good profit. If it is ever so carried, then the royalty on twenty-five per cent. (25) of the Oliver Co.'s ore is advanced forty (40) cents per ton (under present leases). If the rate remains as it is, then the Federal Steel Company has an advantage over the Carnegie Steel

Company on its Missabe ores, of Forty (40) cents per ton.

"Would it not seem, that by allying ourselves further with Mr. Rockefeller—who has not grasped the situation this season, on the Missabe Range—that we are giving the Federal Steel Company an increased advantage? The turning over to Mr. Rockefeller of our holdings would put him and the Federal Steel Company more nearly even, at the same time we would be at the mercy of their joint arrangement—whereas now we have the balance of power, and with Hill's Road in the field, we are in an independent position. Is not then the question more vital as between the Federal Steel Company and ourselves rather than with Mr. Rockefeller?"

MR. FRICK: "I think Mr. Gayley is right in his remarks. This matter will come up for discussion hereafter."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, November 27th, 1899, there were present MM. FRICK (Chairman), SCHWAB, PEACOCK, PHIPPS, MORRISON, CLEMSON, GAYLEY and LOVEJOY (secretary); also MM. HENRY PHIPPS, GEORGE LAUDER and W. H. SINGER. (MR. CURRY indisposed.)

* * *

MR. PEACOCK: "Mr. Martin gives £7 as the price of Rails, yet English Makers made a price equivalent to $32.90 at Montreal.

"You may be interested to know that the National Tube Company has authorized the expenditure of $2,500,000.00 for improvements at Wheeling. They contemplate a Furnace, and a number of Basic Open Hearth Furnaces."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, January 2, 1900, there were present MM. SCHWAB (President), LAUDER, PEACOCK, PHIPPS, CLEMSON, MORRISON, GAYLEY, MORELAND and LOVEJOY (Secretary); also MR. W. H. SINGER.

The Minutes of the Meeting of the Board of Managers held December 26, 1899, were read, and, on motion, approved.

Mr. Peacock, as General Sales Agent, submitted the following reports:—

"We submit herewith a statement in Gross Tons, of the total sales of Standard Rails, first quality, reported to the New York Committee by the different members of the Rail Association since October 1st, 1899, including the tonnages carried over as of that date:—

Carnegie	476,650
Illinois	515,640
Cambria	94,946
Colorado	59,067
Pennsylvania	157,193
Lackawanna	204,108
TOTAL	1,507,604

* * *

"The summary of important sales from January 1st to December 31st, 1899, is as follows:—

Net tons.	Material.	Average Price per lb.	Average Price net ton.
433,465	Struc'l & Ship —Domestic,	1.625c.	$32.50
30,914	Struc'l & Ship —Canadian,	1.329	26.58

38,849	Struc'l & Ship	—Foreign,	1.287	25.74
404,219	Plates	—Domestic,	1.548	30.96
1,313	Nickel Steel Plates	—Domestic,	3.897	77.94
7,900	Plates	—Canadian,	1.871	37.42
2,071	Plates	—Foreign,	1.456	29.11
66,295	Bars	—Domestic,	2.011	40.22
1,646	Bars	—Canadian,	1.394	27.89
2,326	Bars	—Foreign,	1.016	20.33
39,951	O. H. Axles	—Domestic,	2.061	41.22
3,750	Ingot Moulds	—Domestic,		23.93

1,032,699—Total Net Tons.

Gross tons.	Material.		Average Price gross ton.
51,780	Ferro Manganese	—Domestic,	$75.06
310,671	Billets & Slabs	—Domestic,	23.09
1,400	Billets & Slabs	—Canadian,	29.00
200	Billets & Slabs	—Foreign,	15.34
2,090	O. H. Ingots	—Domestic,	32.55
95,890	Sheet Bars	—Domestic,	21.05
50,774	Pig Iron	—Domestic,	12.98
59,216	Scrap	—Domestic,	26.25
300	Scrap	—Canadian,	14.50
700	20% Spiegel	—Domestic,	23.26
559,645	Standard Rails—1sts	—Domestic,	25.31
105,330	Standard Rails—1sts	—Canadian,	24.39
46,858	Standard Rails—1sts	—Foreign,	24.07
51,308	Standard Rails—2nds	—Domestic,	25.34
3,514	Standard Rails—2nds	—Canadian,	24.09
55	Standard Rails—2nds	—Foreign,	27.90
14,442	Light Rails	—Domestic,	24.88
27,233	Light Rails	—Foreign,	26.26
39,899	Splice Bars	—Domestic,	38.27
5,967	Splice Bars	—Canadian,	33.11
3,021	Splice Bars	—Foreign,	34.11

1,430,293—Total Gross Tons.
2,462,992—Grand Total Tons.

• • •

"AGREEMENT, Made this day of , Nineteen hundred , between THE CARNEGIE STEEL COMPANY, LIMITED, herein called the Sellers, and the UNION STEEL COMPANY, of Pittsburg, Pennsylvania, herein called the Buyers:

"WHEREBY, the Sellers, in consideration of the payments and covenants herein agreed to be made and performed, agrees to furnish and deliver f. o. b. cars Buyers' Works, at the prices hereinafter stipulated, and subject to the terms and conditions of this contract, all the Soft Bessemer Billets that shall be required for use in the operation of Buyers' Mills, for a period of five years from the day of 19 , and thereafter until this contract shall be terminated under the provisions hereinafter contained; and the Buyers agree to pay the Sellers for such material a price per ton based on the average price of Standard Bessemer Pig Iron, to be ascertained by adding certain sums to the average price of Pig Iron, as follows:—

When the price of Pig Iron per gross ton is:	The amount to be added to the price of Pig Iron for Billets, 4" and larger, shall be:
$8.99 or under	$4.50
9.00 to $9.99	4.75
10.00 to 10.99	5.00
11.00 to 11.99	5.25
12.00 to 12.99	5.50
13.00 to 13.99	5.75
14.00 to 14.99	6.00
15.00 to 15.99	6.25

16.00 and over,—in the same ratio of increase.

"Upon the considerations aforesaid it is further mutually agreed between the parties hereto, as follows:

"FIRST: The prices contemplated by this contract, for Bessemer Billets, shall be fixed for each three months' period, beginning January 1, 1900, and shall be determined according to the above table from the average market price of Stand-

ard Bessemer Pig Iron, free on board cars at Pittsburg, for the next preceding three months; the average market price of Pig Iron for each month to be first ascertained, and from these monthly prices the average price for the three months ascertained. The average monthly prices shall be agreed upon within one week from the end of each month, and the average price for the three months within one week from the end of the third month.

"In case the parties hereto cannot mutually agree upon an average price of Pig Iron, it shall be referred by either party hereto to , as arbitrator, whose decision shall be final and binding on both parties. It is also mutually agreed that any other differences arising under this contract shall also be referred by either party hereto to , whose decision shall be final and binding on both parties. In case of the inability of the said to act as arbitrator, each of the parties to this agreement shall select a person experienced in the iron and steel trade. In case of their failure to agree, the two persons thus selected shall select a third person, whose decision shall be final and binding on both parties.

"SECOND: Payment shall be made by the Buyer, in cash, on the twentieth of each month for the preceding calendar month's shipments.

"THIRD: The Buyer shall give specifications under this contract at least twenty days before shipment is required, and also give an approximate estimate of the number of tons of Billets required for the month, beginning sixty days in advance. For example: on an approximate estimate shall be given of the billets required for shipment during , and, in giving specifications (which shall always be Standard Specifications for the Sellers' Soft Bessemer Billets), the Buyer will state what deliveries are required for each month, and the Billets shipped will be charged for at the ruling price for the month for which delivery is specified, providing always that the Seller shall not be called upon to make deliveries at a rate exceeding tons per working day. In case of Sellers' inability to make

delivery of the total tonnage of Billets for delivery during any one quarter, by reason of Buyers ordering for shipment a tonnage exceeding tons per working day, the orders unfilled at the end of the quarter shall be delivered during the succeeding quarter at the prices ruling for such succeeding quarter.

"FOURTH: The total quantity of Billets ordered for delivery in any one month shall not be less than tons nor more than tons; and, in case the Buyers require more than the Maximum quantity in any one month, the Sellers are hereby given option of furnishing such excess at a price to be mutually agreed upon by the parties hereto.

"FIFTH: Strikes, differences with workmen, or other contingencies beyond the control of the respective parties hereto, shall be sufficient excuse to either party for failure to make or accept deliveries under this contract during the continuance of such contingency; but upon its removal, this contract will be resumed without any extension by reason of such suspension.

"SIXTH: The Bessemer Billets shall be 4" x 4" and larger, and in not less than 100 pound cuts.

"SEVENTH: It is made a condition of this contract that the Buyer shall not re-sell any of the material furnished hereunder, without first putting it through a process of manufacture at the Works of the Union Steel Company.

"EIGHTH: Either party hereto may terminate this contract by giving one year's written notice to that effect; said notice, however, not to be given prior to January 1st, 1904."

MR. SCHWAB: * * * "Referring to the Contract, however, five years seems a long time."

MR. LAUDER: "Suppose they do not require any Bessemer Steel, how about Open Hearth?"

MR. SCHWAB: "We have usually inserted a clause giving the Buyer the privilege of taking part or all in Open Hearth, at certain advances in price over Bessemer. It might be well, however, to have the Open Hearth Steel in a separate Contract."

MR. PEACOCK: "It will be a long time before Open Hearth Steel replaces Bessemer for Wire, and especially for Wire Nails."

Some discussion followed as to the different clauses in the Contract, no new points being brought up, however.

MR. SCHWAB: "Many of the items will be matters for negotiation when making the Contract. The general question involved is of much more importance at this time than the details. If we make this Contract with the Union Steel Company, the American Steel & Wire Company will undoubtedly withdraw their orders from us.

MR. PEACOCK: "I think they will, but is it not probable we will lose their business anyway? We have only one Contract with them now—6,000 tons per month. They are drifting away, and undoubtedly will soon be in position to furnish their own Billets."

MR. SCHWAB: "Would it not be better for us to make a larger Contract with the American Steel & Wire Company, and give up the Union Steel Company business; would it not be better policy to ally ourselves with the American Steel & Wire Company? This Union Steel Company Contract will probably reach 10,000 tons per month. The American Steel & Wire Company is drifting away from us, buying from their own mills and from the National and Federal. The question is, cannot we make an arrangement with the American Steel & Wire Company more to our advantage, say for a tonnage approximating 15,000 tons per month? If we tie up to the Union Steel Company, the American Company will not buy Billets from us, and, in addition, will make the Wire business so unprofitable that the Union Steel Company will not be able to run unless we make a concession on price of Billets. It seems to me we will be compelled in time to build our own Rod Mill."

MR. PEACOCK: "I do not believe the American Steel & Wire Company would make any Contract for a long time unless we agree not to go into the business ourselves."

MR. SCHWAB: "Although Mr. Mellon was anxious for a decision, or rather a proposition, yet we can wait a little.

The members of the Board will carefully consider the matter until next week, and we will take it up again."

MR. SCHWAB: "Mr. Gayley has furnished me with a report on the Ore question, which is of very great interest."

The same was read, as follows:—

From James Gayley, to the President, dated January 2nd.

"For some time past I have been collecting data showing the Ore reserves held by various mining interests in the Lake Superior region, and am now able to hand you a summary of the information collected. The figures given are as reliable as can be obtained considering the nature of the business, at the same time I consider that they represent maximum quantities. From the nature of the deposits on the Missabe Range, it is more easy to arrive at a close estimate of the several deposits. On the other Ranges the formation is different, but with a vein fully developed and the ore formation carefully outlined, good comparative estimates can be made and are fairly reliable.

"The statement shows that we now control 30% of the ore on all Ranges, 27% on the Missabe Range, and 40% on the Old Ranges.

"On the Missabe Range it is estimated that 125,000,000 tons (27%) are of Bessemer grade, while the older Ranges contain 58%. In the old Ranges we control 46% of the Bessemer ore and 31% of the non-Bessemer. In the latter we have large territory under exploration, which indicates much promise.

"Notwithstanding all the exploration during the past three years on the Missabe Range, there has been found but one new ore body, all the ores shown up during that period have been simply the enlarging of known ore bodies, and the same is true on the other Ranges."

Together with the statement referred to therein, as follows:

ESTIMATE OF THE ORE RESERVES ON IRON RANGES IN LAKE SUPERIOR DISTRICT.

		Old Range	Mesaba	Total
OLIVER IRON MINING CO.:				
Vermillion...	18,500,000			
Gogebic.....	18,000,000			
Marquette ...	16,000,000			
Menominee...	8,500,000	61,000,000		
Mesaba.....			125,000,000	186,000,000
ROCKEFELLER:				
Gogebic.....		150,000		
Mesaba.....			144,000,000	144,150,000
FEDERAL STEEL CO.:				
Vermillion...	5,500,000			
Marquette ...	250,000			
Menominee...	2,750,000			
		8,500,000		
Mesaba.....			98,000,000	106,500,000
AMERICAN STEEL HOOP CO. NATIONAL TUBE CO. CAMBRIA STEEL CO.				
Menominee...		1,100,000		
Mesaba.....			60,000,000	61,100,000
AMERICAN STEEL & WIRE CO.:				
Gogebic.....	1,200,000			
Marquette ...	2,500,000			
		3,700,000		
Mesaba.....			10,000,000	13,700,000
NATIONAL STEEL CO.:				
Menominee...		10,000,000		10,000,000
JONES & LAUGHLIN'S:				
Gogebic.....	200,000			
Marquette ...	3,000,000	3,200,000		3,200,000
REPUBLIC STEEL CO.:				
Marquette ...		2,000,000		2,000,000
INDEPENDENT MINING CO.:				
Gogebic.....	6,550,000			
Marquette ...	35,000,000			
Menominee...	20,850,000			
		62,400,000		
Mesaba.....			21,000,000	83,400,000

TOTALS:				
Vermillion...	24,000,000			
Gogebic.....	26,100,000			
Marquette...	58,750,000			
Menominee...	43,200,000			
		152,050,000		
Mesaba.....			458,000,000	610,050,000

DISTRIBUTION OF THE BESSEMER AND NON-BESSEMER ORE ON OLD RANGE.

		Bessemer.	Non-Bessemer.
OLIVER IRON MINING CO.:			
Gogebic	16,000,000		
Marquette	4,000,000		
Menominee	3,000,000		
Vermillion	17,500,000		
		40,500,000	
Gogebic	2,000,000		
Marquette	12,000,000		
Menominee	5,500,000		
Vermillion	1,000,000		20,500,000
ROCKEFELLER:			
Gogebic		125,000	
do			25,000
FEDERAL STEEL CO.:			
Menominee	1,575,000		
Vermillion	3,500,000		
		5,075,000	
Marquette	250,000		
Menominee	1,175,000		
Vermillion	2,000,000		
			3,425,000
CAMBRIA STEEL CO., ET AL.:			
Menominee		700,000	
do			400,000
AMERICAN STEEL & WIRE CO.:			
Gogebic	1,200,000		
Marquette	2,500,000		
		3,700,000	

NATIONAL STEEL CO.:			
Menominee		10,000,000	
JONES & LAUGHLINS:			
Gogebic	180,000		
Marquette	2,000,000		
		2,180,000	
Gogebic	20,000		
Marquette	1,000,000		
			1,020,000
REPUBLIC STEEL CO.:			
Marquette		1,500,000	
do			500,000
INDEPENDENT MINING CO'S:			
Gogebic	5,250,000		
Marquette	9,000,000		
Menominee	10,000,000		
		24,250,000	
Gogebic	1,400,000		
Marquette	26,000,000		
Menominee	10,850,000		
			38,250,000
TOTALS:			
Gogebic		22,655,000	3,445,000
Marquette		19,000,000	39,750,000
Menominee		35,275,000	17,925,000
Vermillion		21,090,000	3,000,000
TOTAL....		88,030,000	64,120,000

On motion, adjourned at 2:15 P. M.

F. T. F. LOVEJOY,
Secretary.

Copy to
A. C., New York;
H. P., New York;
4 January, 1900.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, January 16, 1900, there were present MM. PEACOCK (First Vice President), LAUDER, PHIPPS, MORRISON, MORELAND and LOVEJOY (Secretary); also MR. HENRY PHIPPS. (MM. SCHWAB, GAYLEY and CLEMSON in New York.)

The Minutes of the Meeting of the Board of Managers held January 8th, 1900, were read, and, on motion, approved.

Mr. Peacock, as General Sales Agent, submitted the following reports:—

"We submit herewith a statement in Gross Tons, of the total sales of Standard Rails, first quality, reported to the New York Committee by the different members of the Rail Association since October 1, 1899, including the tonnages carried over as of that date:—

Carnegie	477,000
Illinois	520,793
Cambria	98,204
Colorado	57,571
Pennsylvania	157,193
Lackawanna	204,124
Total	1,514,885

* * *

MR. PEACOCK: "What we need today is orders for Billets. The price is firm enough, but there does not seem to be the business."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, January 29th, 1900, there were present MM. SCHWAB (President), PEACOCK, PHIPPS, MORRISON, SINGER and MORELAND (Secretary); also W. E. COREY. (MM. CLEMSON and GAYLEY in Northwest Ore Fields; MR. LAUDER abroad).

The Minutes of the Meetings of the Board of Managers held January 22 and 24, 1900, were read, and, on motion, approved.

Mr. Peacock, as General Sales Agent, submitted the following reports:

"We submit herewith a statement in gross tons, of the total sales of Standard Rails,—first quality, reported to the New York Committee by the different members of the Rail Association since October 1st, 1899, including the tonnages carried over as of that date:

Carnegie	477,000
Illinois	564,805
Cambria	101,110
Colorado	57,606
Pennsylvania	157,209
Lackawanna	210,408
	1,568,138

"The statement which follows compares our estimated obligations on contracts and open orders, at the opening of business Thursday January 18 and January 25th, 1900.

Material	Jan. 18th	Jan. 25th.	Difference.
Standard Rails, 50 # and heavier	450,366	432,849	Loss 17,517
Light Rails under 50 #	5,117	5,119	Gain 2

Billets, Blooms and Slabs, 4" and over	120,450	113,238	Loss	7,212
Billets under 4"	23,067	20,639	Loss	2,428
Sheet Bars	77,113	75,681	Loss	1,432
Ingots	9,401	9,307	Loss	94
Splice Bars	26,443	26,145	Loss	298
Structural—Ship	247,510	252,403	Gain	4,893
Plates (excluding nickel steel)	242,607	233,947	Loss	8,660
Nickel	4,829	4,825	Loss	4
Bars	43,997	42,750	Loss	1,247
Axles	24,485	24,127	Loss	358
Unentered Coolgardie plates for shipment after Jan. 1.	12,877	12,877	——	——
Total	1,288,262	1,253,907	Loss	34,355

"On sliding scale contracts, we include in our obligations only the maximum tonnages for the present quarter.

"All in gross tons, based upon our maximum obligations.

"In general losses are due to shipments.

"Loss in Standard Rails is due to heavy shipments and transfer to Cambria of about 5,000 tons B. & O. S. W.

"Gain in structural due to new contracts booked."

MR. PEACOCK: "The transfer of rails to Cambria were low priced, $18.00."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, February 5th, 1900, there were present MM. SCHWAB (President), PEACOCK, PHIPPS, SINGER, MORRISON, GAYLEY, CLEMSON and MORELAND (Secretary). Also MM. W. E. COREY and H. P. BOPE. (MR. LAUDER abroad).

* *

MR. PEACOCK: "I would like to have the Board approve or disapprove of the present policy of the Sales Department in taking all orders that come to us, even if we have to shade the price. I would rather be oversold than otherwise and as I am going away I would like to have the Board instruct Mr. Bope what to do. Of course he will submit the main points to the President before acting.

MR. SCHWAB: "I think the Board understands the policy of the Sales Department and current orders will have consideration of the Officers and the Board when necessary. Mr. Bope will be given such assistance as is required.

MR. PEACOCK: "I would like to have Mr. Bope represent me at the Meetings of the Board of Managers during my absence, in accordance with the custom and by-laws.

The President announced that Mr. Bope was acceptable. To this there was no dissent."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Tuesday, February 20th, 1900, there were present MM. PHIPPS (Second Vice President), SINGER, GAYLEY, MORRISON, CLEMSON and MORELAND (Secretary); also MM. W. E. COREY and H. P. BOPE. (MR. LAUDER abroad; MR. SCHWAB in Philadelphia; MR. PEACOCK in Southern California).

* * *

The following communication, addressed to the President by MM. Gayley and Clemson, under date of 20th February, 1900, was read:

"During the past week Mr. Clemson and myself met in New York, Mr. Gates, President of Lake Superior Consolidated Mines, and Mr. John D. Rockefeller, Jr., with reference to the Mesaba Ore properties we had recently acquired by purchase and lease. At our first conference there was pre-

sented to us a review of the situation and preliminary papers bearing on the leasing of the Mountain Iron Mine in 1896. After a careful examination of the original papers, (of which Mr. Gates alone appears to have a copy), with memoranda thereon by Mr. Carnegie, Mr. Leishman and Mr. Curry, we are entirely of the opinion that we have no grounds whatever to justify our purchase of these properties. The demand of Mr. Gates that we turn over to them without conditions the 75,000,000 tons of ore we had secured was fully within the letter and spirit of the agreement entered into. It is difficult to play a game of bluff when the other party holds the cards, and you know it; nevertheless, we have been able to retain 60,000,000 tons out of the 75,000,000 tons that we acquired during the past year. As a return for such concession they have insisted on a Lake Transportation contract for our Mesaba Ores—in addition to the present Railroad contract; the price per ton for the Lake haul being fifty (50) cents plus the unloading charge, the normal unloading charge being 14 cents, but we separated this item as the introduction of mechanical unloaders at Conneaut will no doubt reduce that charge by 10 cents per ton. They have also insisted on eliminating the special guaranty clause for rail freight in present contract, reading as follows:

'The lessor covenants that if, during the term of this lease, while such lower rail rate shall be current as above stated, any actual competitive consumer of iron ore mined upon the Missabe Range shall in fact acquire such ores at Lake Superior ports cheaper than the cost to the lessee at such ports of the ores mined by the lessee upon the demised premises, the lessor will pay, ton for ton, to the lessee, a sum equal to the gain per ton accruing to such consumer as against the lessee by virtue of such cheaper rail rate on every ton of iron ore mined upon the Missabe Range consumed by such competitor, up to the total amount of the lessee's production from the demised premises during the currency of such lower rail rate.'

"In a prospectus drawn up last year amalgamating the royalty and rail rate, the same clause was eliminated and was assented to by Messrs. Frick, Curry and Oliver; their argument for this elimination being that they want all con-

suming interests allied with them to be directly interested in a maintenance of the rates, they being fully aware that the last contestants for a lowering of the rates were pulled off by Mr. Oliver, the fact being that about $25,000.00 was paid for this purpose, and by instructions of Mr. Frick was paid by the Oliver Iron Mining Co. To comply with their views, and if by using also our influence against a reduction of rates such reduction should obtain, we are then in the position of paying more than our competitors, when the spirit of our alliance is for mutual protestation.

"In the prospectus for a new agreement herewith submitted the important points that each party thereto is asked to concede, are as follows:

We to concede:

(a). A Lake carrying contract.

(b). A cancellation of guaranty clause.

(c). A 50 cent royalty on the Ohio Mine.

They to concede:

(a). 60,000,000 additional Ore reserve, viz: the Stephens and Shaw Mines, and the Ohio Mine adjoining the Mesaba Mountain and Lone Jack, owned by them.

(b). The Shaw mine, in effect as a fee property, making the average royalty on this and the Ohio Mine 17 cents per ton.

(c) No increase in minimums with the additional property.

(d). A blanket minimum covering our original properties and the Ohio Mine, enabling us to work the property to much better advantage.

(e). An absorption of the royalties on Stephens and Norman Mines into original properties, by taking more than 1,200,000 tons, thus saving us $27,500.00 per year in advance royalties until these mines are opened.

(f). And agreement to re-arrange the minimums as properties become exhausted.

"The securing of the Ohio Mine, although at a higher royalty, enables us to operate the Norman and the Shaw Mines more economically.

"It should also be borne in mind that the 90,000,000 tons of ore which we shall have control of, are principally steam shovel properties, with less surface drift than the other mines on the Range, and that we can win the ore at a cost of 30 to 40 cents per ton less than the underground mines."

The following memorandum, giving details of the Meeting referred to in the communication recorded above, was presented, and by request was read and afterwards ordered placed upon the Minutes. This memorandum bears date of 17th February, 1900:—

"At a conference between Mr. Gayley and Mr. Clemson, representing the Carnegie Steel Company—Oliver Iron Mining Company interests, and Mr. Gates, representing the Bessemer Steamship Company and the Lake Superior Consolidated Iron Mines, the following suggestions were made for mutual consideration, with reference to a further meeting and discussion:

1. The one-half interest in the Rouchleau Mine, the Norman Mine, the stock of the Security Company, with present assets unimpared including cash in Treasury, the lease of the Stephens property and the Swallow explorations, to be conveyed to the Consolidated Mines by the Oliver people at cost.

2. All existing agreements between the Oliver Iron Mining Company and the Carnegie Steel Company, on the one hand, and The Lake Superior Consolidated Iron Mines and The Bessemer Steamship Company, on the other hand, including leases, to be cancelled, the only exceptions to be the contract with the Bessemer Steamship Company relating to the transportation of 400,000 tons of Tilden Ore annually, and the contracts between the parties, including the Duluth Missabe & Northern Railway, relating to the Sheridan Mine.

3. The Consolidated Mines, or the Bessemer Steamship Company, or Mr. Rockefeller personally, or some other entirely responsible party, to be agreed upon, which for the purpose of this instrument we will call the first party, shall make a contract with, preferably The Carnegie Steel Company, which for the purpose of this instrument we will call the second party.

In this contract first party shall sell to second party, and second party shall buy from first party, at least 1,350,000 tons

annually, which ore shall be mined, transported and delivered to the second party by first party, at lower lake ports.

First party shall agree to mine, transport and deliver, on the same terms, as much more than 1,350,000 tons annually as second party may elect, due notice (date of which shall be agreed upon) to be given by second party to first party as to the amount of ore desired in any year.

Second party shall be at liberty to assign the whole of this contract to the Oliver Iron Mining Co. or a one-sixth interest in the same to Henry W. Oliver or his legal successors of ownership in the one-sixth interest in the Oliver Iron Mining Co., the interest so assigned to be governed, of course, by all the terms and conditions of this contract. Or if it should prove undesirable to assign, then any other form of transfer, either of the ore annually, or of an interest in the profits on the ore, may be arranged, subject only to the approval of counsel of first party.

4. 1,200,000 tons of the 1,350,000 tons so to be mined, transported and delivered to the second party shall be taken from the Mountain Iron and Rathbun properties, now under lease to the Oliver Company; from the Missabe Mountain and Lone Jack properties, now under lease to the Oliver Company, and from the Ohio Mine, now owned by the Consolidated Mines.

5. 100,000 tons shall be mined from the Stephens property, and in case of failure so to mine the 100,000 tons, or any part thereof, it may be taken from either of the properties above mentioned in Paragraph 4 but same must be in addition to the 1,200,000 tons above.

6. In case, however, that the second party shall neither mine the 100,000 tons from the Stephens property nor mine the 100,000 tons from the other properties above mentioned, then, in case of failure, either in whole or in part, second party shall pay to first party 15c. per ton on all ore so remaining at the close of any year unmined, said 15c. to be treated as advance royalty, as treated in ordinary leases.

7. 50,000 tons shall be taken from the Norman property, and in case of failure so to mine the 50,000 tons, or any part thereof, it may be taken from either of the properties above

mentioned in Paragraph 4, but same must be in addition to the 1,200,000 tons above.

8. In case, however, that the second party shall neither mine the 50,000 tons from the Norman property, nor mine the 50,000 tons from the other properties above mentioned, then, in case of failure either in whole or in part, second party shall pay to first party 25c per ton on all ore so remainining at the close of any year unmined, said 25c to be treated as advance royalty, as treated in ordinary leases.

9. The prices of the ores above mentioned shall be fixed, as follows:

For all ore taken from the Mountain Iron, Rathbun and Lone Jack properties, $1.55 per ton at lower lake ports.

For all ore taken from the Missabe Mountain property, $1.55 per ton plus any royalty to be paid to the estate.

For all ore taken from the Ohio Mine, $1.80 per ton.

For all ore taken from the Norman Mine, $1.55 per ton.

For all ore delivered from the Stephens property, $1.45 per ton.

10. To the figures named above shall be added, in each case, the actual cost of unloading and the actual cost of mining the ore, including taxes on the properties.

11. The first party shall agree to deliver any amount of ore which the second party may desire, annually, from the two 40's constituting what is known as the Shaw property, same to be in addition to the 1,350,000 tons above provided for.

The price at which such ore shall be delivered at lower lake ports shall be $1.30 per ton, plus unloading charge, plus cost of mining and taxes, and

In consideration of this price second party shall pay first party, as a premium or bonus, $300,000.00.

12. If second party shall not, in any season, require so much ore as 1,350,000 tons, he shall on due notice (date to be determined) be released from payment for the transportation and delivery of the whole or any part of these ores, and shall be absolved on this contract by the payment of 15c per ton on 100,000 tons of ore from the Stephens property; 25c per ton on 50,000 tons of ore from the Norman property, and 25c per ton on 1,200,000 tons of ore from all of the other proper-

ties, including the Ohio, except that 25c additional per ton on 5,000 tons shall be paid to the State on the Missabe Mountain lease, or its equivalent paid to the first party. Such payments shall operate as credits to the second party in future years, on the same principle as advance royalty in case of leases.

13. If the mines from which a total of 1,200,000 tons shall be taken shall appear, on the judgment of the parties hereto, or, in case of their failure to agree, on the judgment of three disinterested experts, to be no longer capable of producing 1,200,000 tons of ore, in any year, then such deduction shall be made in this minimum as such arbitrators may deem just. (See also in this connection paragraph 19, which should have been inserted at this point).

14. It is agreed that the contracts for the delivery of these ores shall expire, unless earlier terminated by second party, as follows:

With respect to the Mountain Iron, Rathbun and Ohio properties, fifty years from the date of the contract.

With respect to the Missabe Mountain, the date of termination of the State lease.

With respect to the Stephens and Norman properties, the date of the termination of the leases of these properties.

With respect to the Shaw property, 100 years from the date of the contract.

With respect to the Lone Jack 50 years from the date of the contract, with respect to 19/24 of the same. As to the other five twenty-fourths, not held by the Consolidated Mines, the contract is terminable with the lease.

15. First party shall agree to turn over all these mines, above mentioned, to the Oliver Iron Mining Company, to be worked by the Oliver Iron Mining Company, under an operating contract, by which the Oliver Company shall have all the usual privileges afforded to a lessee as to the working of the mines, the Oliver Company agreeing to work the mines in a proper and workmanlike manner, and pay the taxes on the same as a part of the operating costs. All machinery and everything movable in said mines being the property of

the Oliver Iron Mining Company and removable by said company on the expiration of the contract.

The Oliver Company to charge first party for such operating exact cost, and the second party shall agree in turn, to pay first party, as cost of mining the exact cost which first party pays to the Oliver Iron Mining Company for such services. Or, to save any complications in book-keeping, the second party may settle directly with the Oliver Iron Mining Company for said costs.

16. Second party shall have the option to cancel its contract with first party, by which the first party agrees to transport and deliver the ore at lower lake ports, and the Oliver Iron Mining Company shall have the right to cancel its contract with first party for operating the mines at the end of one year or five years, or at any time thereafter on one year's notice, but neither the second party nor the Oliver Company may cancel the contract unless both parties shall cancel the same; in other words, the Oliver Iron Mining Company's operating contract shall be coterminous in all particulars with the sales of ore contract.

17. The contract shall take effect immediately on signature and shall apply to the current business of 1900, with the following exceptions, which are made only because of negotiations for this year having already been made:—

(a). The ore shall be delivered this year, instead of Lake Erie Ports, at Duluth, and the charge, in all cases, shall be precisely 50c. less than the figures named in paragraphs 8 and 9. In all other particulars the figures named in paragraphs 8 and 9 to stand.

(b). The Oliver Company to mine and deliver to first party at cost as much ore from the Ohio Mine as first party has sold or may sell during the season of 1900, up to 500,000 tons. In selecting ore to be delivered, the Oliver Company must deliver ore averaging at least 62% in iron. First party shall furnish the Oliver Company, if necessary, steam shovel or other appliances sufficient to enable second party to carry out this feature of the contract.

18. First party shall agree not to mine, remove or sell during the pendency of these contracts any ores whatever from any of these mines.

First party also agrees not to sell or lease the property known as the Aetna Mine, or the 40 belonging to the Mountain Iron Company immediately North of the Aetna Mine, to any competitor of the Carnegie Company during the pendency of this contract without consent of the same.

On the other hand the parties to these contracts, the Carnegie Company and the Oliver Company, shall agree that they shall purchase during the life of this contract all Mesaba ores which they may require, not produced from these mines and the Sheridan Mine, from the Lake Superior Consolidated Iron Mines at current market rates, and from no other producer, and

The said parties further agree that until December 1st, 1906, they will refrain from any purchase or lease of properties on the Mesaba Range, either directly or indirectly.

All the clauses in this paragraph shall be binding alike on the second party and on the first party on pain of forfeiture of the contract.

19. If the mines from which a total of 1,200,000 tons shall be taken shall appear, on the judgment of the parties hereto, or, in case of their failure to agree, on the judgment of three disinterested experts, to be no longer capable of producing 1,200,000 tons of ore, in any year, then such deduction shall be made in this minimum as such arbitrators may deem just, but the incapacity of the Mines to furnish the ore shall be traceable to lack in the mines and not to lack of proper exploration and development of same for which second party shall be responsible. The mines are at all times to be developed with reference to a producing capacity of at least 1,200,000 tons annually."

In regard to the Rockefeller contract and the Memorandums recorded above, there was quite a lengthy general discussion of this matter, every one present taking part in it, but nothing was said or suggested beyond what the memorandums recite. No one wished to express a positive opinion until they were allowed time for a full consideration of the matter. The Presiding Officer directed that the Secretary send to each mem-

ber of the Board a copy of the two papers presented and recorded in the Minutes, in order that all might have an opportunity to prepare themselves by a study of the question to express their views at the next regular Meeting of the Board of Managers.

On motion, adjourned.

A. M. MORELAND,
Secretary.

Copy to A. C.,
New York, 22nd
February, 1900.

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, March 5th, 1900, there were present MM. SCHWAB (President) SINGER, MORRISON and MORELAND (Secretary); also MM. W. E. COREY, H. P. BOPE, Jos. E. SCHWAB and W. W. BLACKBURN. (MR. LAUDER abroad; MR. PEACOCK in Southern California; MR. PHIPPS at Old Point Comfort, Va.; MM. GAYLEY and CLEMSON in New York City, on ore business.)

* * *

MR. SCHWAB: "MM. Gayley and Clemson are still in New York, working on the Rockefeller matter. While we are without a quorum today I think we should go ahead with our business. We can have absent members approve Minutes at our next Meeting. I had a talk with Mr. Carnegie in regard to the Rockefeller contract and he seems to think favorably of it. I also had a talk with MM. Gayley and Clemson and they feel that they will be able to secure some further advantages for us before they close the matter up finally. Their intention is to continue work upon the matter till it is concluded."

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 10:00 A. M., Monday, March 12th, 1900, there were present MM. SCHWAB (President), SINGER, PHIPPS, CLEMSON, MORRISON, GAYLEY and MORELAND (Secretary); also MR. W. E. COREY. (MR. LAUDER abroad; MR. PEACOCK in California).

The minutes of the meeting of the Board of Managers held March 5, 1900, were read and on motion approved.

* * *

In the matter of the Bill in Equity filed by H. C. Frick against this Association and its members. The President submitted an answer prepared for this Association by its counsel, which was read by the Secretary and which is made a part of the Minutes of this Meeting, and after consideration thereof it was

RESOLVED, that the said answer as read be and is hereby approved and adopted, as the answer of this Association, and the President and Secretary are authorized and directed to execute the same for this Association and affix its seal thereto.

On motion, (MM. Phipps and Clemson), this Resolution was unanimously adopted, the vote being: Schwab, aye; Singer, aye; Phipps, aye; Clemson, aye; Morrison, aye; Gayley, aye; Moreland, aye; also Mr. W. E. Corey, aye.

"IN THE COURT OF COMMON PLEAS, NO. 1, OF ALLEGHENY COUNTY, PENNSYLVANIA.

IN EQUITY.

No. 422. March Term, 1900.
H. C. FRICK, Plaintiff,

vs.

THE CARNEGIE STEEL COMPANY, LIMITED; ANDREW CARNEGIE, Henry Phipps, Jr., L. C. Phipps, George Lauder, C. M. Schwab, H. M. Curry, W. H. Singer, A. R. Peacock, F. T. F. Lovejoy, Thomas Morrison, George H. Wightman, D. M. Clemson, James Gayley, A. M. Moreland, Charles L. Taylor, A. R. Whitney, W. W. Blackburn, John C. Fleming, J. Ogden Hoffman, Millard Hunsiker, George E. McCague, James Scott, H. P. Bope, W. E. Corey, **Joseph E. Schwab, L. T. Brown, D. G. Kerr, H. J. Lindsay, E. F. Wood, H. E. Tener, Jr., George Megrew, G. D. Packer, W. B. Dickson, A. C. Case, John McLeod, Charles W. Baker, A. R. Hunt, A. C. Dinkey, P. T. Berg, Charles McCreery, F. T. F. Lovejoy, trustee for the Carnegie Steel Company, Limited, Defendants.**

THE JOINT AND SEVERAL ANSWER OF THE CARNEGIE STEEL COMPANY, LIMITED, ANDREW CARNEGIE, C. M. SCHWAB, L. C. PHIPPS, W. H. SINGER, THOMAS MORRISON, D. M. CLEMSON, JAMES GAYLEY, AND A. M. MORELAND.

TO THE HONORABLE THE JUDGES OF THE SAID COURT:

The answer of the Carnegie Steel Company, Limited, Andrew Carnegie, C. M. Schwab, L. C. Phipps, W. H. Singer, Thomas Morrison, D. M. Clemson, James Gayley, and A. M. Moreland, respectively shows:—

• • •

"It is not true that on December 31st, 1899, the said Association had assets or property, either real or personal or tangible, in any form, which the said Association in its legal capacity could transfer, which were worth $250,000,000; nor did the defendant Andrew Carnegie ever assert that said assets were in excess of that sum. The said Andrew Carnegie

has repeatedly expressed the opinion with reference to the earning capacity of said company that the personnel of its organization was worth more than all the property of the company. It is true that the said Andrew Carnegie has expressed and still holds sanguine views as to the future of said company, but any such views are based upon the maintenance of the organization of the said company in its present condition of efficiency and harmony.

The facts which the plaintiff has distorted in order to give color to the averments contained in the ninth paragraph of the bill, are these:—

For some time past the plaintiff has been interesting himself in schemes to transfer the property of this Association at first to a proposed combination of steel companies, and later to a corporation whose securities might be floated on the market and disposed of to the public upon the basis of a capitalization of the earning power of the plant owned by the Association in combination with the skill, experience, and ability of its members. We have no purpose or intent to depreciate the earning power of our property when managed by its present organized membership. But it has always been the policy of this Association from its outset to regard itself as an association of individuals who have united together their fortune, their talents, and their industry to manufacture iron and steel in all branches in the best form, by the best processes, and at the most moderate cost, and by such attention to the true purpose of its organization to produce for those interested in the Association the largest profits which can be made. As a means of securing the best results and the most intelligent attention to the details of the business, by which alone can manufacturing operations be conducted at a profit, it was the policy of those whose intelligence and faith in results founded the business to associate with themselves from time to time a number of young employees, who, by becoming directly members of the Association, would be stimulated to the very best work. The result has justified the belief that this method was the true method of carrying on large operations, and the profits which have resulted do not represent simply earnings or interest on the capital invested, but have been the product from year to year,

of the brains, intelligence, and industry of the several members who in their separate departments have so conducted the business of the Association as to produce this profit. Any capitalization of the earning power of the enterprise as a going concern would in nowise represent only the value of the plant and other property which are the assets of the Association, and to which alone upon his withdrawal, retirement, or exclusion from the Association the plaintiff is entitled to an account. Such capitalization would be based upon the continued operation of the plant by the members, upon whose future earning power the plaintiff has no lien or claim.

Having so answered, we do respectfully suggest that any such estimate of values of our assets as is contained in the ninth paragraph of plaintiff's bill is wholly immaterial, as we are advised, in the present case. The rights of the plaintiff touching the price which is to be paid to him for his interest are based altogether upon the "Ironclad Agreement" to which he is a party. The value of his interest is by the terms of said agreement to be ascertained by reference to the books of the company. Those books were under the supervision of the plai tiff until the day of his resignation from the chairmanship of our company, and the entries have been made from time to time in accordance with his express judgment.

These books show that the net value on the thirty-first day of December, 1899, of the assets of the Association was $75,610,104.06. To a large extent this book value represents the actual cost of the properties represented in the balance sheets of the Association. From time to time during the plaintiff's membership in the Association he, and other members, were appointed a committee to revalue certain assets. In every instance of such revaluation the plaintiff himself has been a member of such committee, and the values now entered and the properties included as having value may be taken as the plaintiff's own statement of their value to his fellow-members, on which, during plaintiff's membership more than fifteen settlements have been made with retiring members or the estates of deceased members.

In the year 1892, and in anticipation of the dividend of profits which was then declared, the assets of the Association

were carefully revalued and appraised by a committee consisting of H. C. Frick, H. M. Curry, and F. T. F. Lovejoy.

Again, in the year 1899, at the suggestion of a committee consisting of H. C. Frick, Henry Phipps, Jr., and F. T. F. Lovejoy, certain changes were made in the "book value" of the assets of the Association; and the result thus reached was a just, fair and reasonable valuation of said assets, and was so accepted by the Association.

Every month a balance sheet of the Association's assets and liabilities has been prepared, and a copy of the same furnished to the plaintiff, on which balance sheet the "book value" of the capital is clearly shown; and we aver that the valuation of the assets as shown on said books and balance sheets is a full, fair and accurate valuation of the same, and that there has not been omitted from such books and balance sheets any asset which should properly find a place thereon.

* * *

As has been heretofore stated, the plaintiff has for some years past been desirous of transferring the property of this Association to a corporation upon a large capitalization, and to float its securities with the general public. The said Carnegie had never been inclined personally to favor said scheme.

Early in the year 1899 the plaintiff, with W. H. Morse and Henry Phipps, Jr., conceived the scheme of effecting an organization to purchase the property and business of this Association and of the H. C. Frick Coke Company, and thereafter said Frick and Phipps requested an option for the purchase thereof for the price of $320,000,000 being on the basis of $250,000,000 for the property of this Association and of $70,000,000 for the property of the said Coke Company, it being understood that the older members of this Association should permanently retire from said business and that the younger members thereof engaged in the active practical management of the business should bind themselves by contract to remain with the new organization for specified periods. After negotiations it was finally agreed that an option for said purchase should be given for a limited period upon the payment of the sum of $2,000,000 as an earnest of good faith, the same to be credited as a part of the price should

said purchase be made, and otherwise to be forfeited. Frick and Phipps thereafter persuaded the other members of the Association, (with the exception of Mr. Carnegie), to the extent of their respective interests in the company, to release Frick and Phipps from the payment of any cash consideration for said option. This arrangement resulted in the execution and delivery of two options, to wit, one by Carnegie with respect to his interest in both companies and the other by the other members of the Association, the former of which was made for a cash consideration, of which $1,000,000 was paid by said Moore and $170,000 was paid in equal shares by Frick and Phipps; and the latter of which was made for a nominal consideration.

According to the plan Carnegie was to receive $100,000,000 of the price mentioned as coming to him in bonds, and the balance thereof, about $57,950,000, in cash. It is not true, however, that Carnegie thereby attained any advantage over the other members of the Association. He rather suffered a disadvantage because the options given by the other members provided for a payment to them entirely in cash or in securities at their option. The price fixed in said option was based upon the proposition that said Carnegie should go out and stay out of the steel business, but that the junior members should be employed by the proposed corporation for a term of years.

Many of the junior members of the Association were attracted by the scheme, which gave them the opportunity not only of future employment in the conduct of the business, but also of realizing at once upon a capitalization of their future earning power, and to comply with their wishes the defendant Carnegie acceded to the suggestion of giving the option and received his share of the price paid for the same. The parties to whom the option was given, however, when the time came to exercise it, were unable to carry out its terms and to provide the money needed to complete the purchase, so that when the option expired, the said Carnegie, seeing from a business standpoint the impracticability of the plans of the plaintiff and his associates, declined to modify or renew said option * * *.

* * *

In January, 1900, more than three-fourths in number and value of interests of members of this Association did determine for the reasons hereinbefore set forth that the interest of the said Frick in this Association should be acquired by it under the terms of the said Iron-Clad Agreement, and did sign a writing, hereinabove set forth at length, which writing was duly served on said Frick, as provided in said agreement. Said Frick neglected and refused to make the said transfer, and thereafter, in accordance with the terms of said Iron-Clad Agreement, to wit, on the first day of February, 1900, Charles M. Schwab, then the president of this Association, did assign and transfer all of said Frick's interest in this Association to this Association, under the terms of said agreement, and this Association, by a resolution of its board of managers, duly passed on said first day of February, 1900, directed its officers to make payment for the same in accordance with said agreement; and this Association is ready and willing, and hereby tenders payment for the said interest in accordance with the terms of said agreement, to wit, its value as it shall appear to be on the books of this Association on the first day of March, 1900; and as soon as this Association's books are written up as of that date the said Frick will be furnished with a balance sheet and the cash and notes will be tendered him for the value of his interest as it appears therein, said amount being approximately $4,900,000.

We aver that the said sum will be the full amount due to said Frick under the terms of said agreement, being the amount shown on the books kept in the manner prescribed by Frick during his years of office as Chairman, and under the proper and customary method of keeping books, and upon the same basis as all other partners and estates of deceased partners have heretofore been settled for. We further aver that said price is the full and fair value of the interest of said Frick on said date.

The method of valuing the interests of any member or members according to the valuation as stated on the books, is eminently just and liberal. It is a method of ascertaining the value of partnership interests largely adopted both in this country and in England. The experience and judgment

of business men justify us in saying (as we do) that such a method of valuation in large manufacturing companies, and especially of iron and steel in our country, as a rule, is more liberal to the seller than to the buyer; for experience has shown that partnership assets, on a just appraisement, seldom reach the value at which they stand on the books of the concern, and that a settlement made with a withdrawing partner, at a valuation of his interest based upon its value as appearing on the books of the firm, is, in a very large majority of cases, highly advantageous to such withdrawing partner.

The interest of six per centum in this Association held by the plaintiff prior to February 1st, 1900, was acquired by him in different amounts at different times, and was paid for by crediting to the plaintiff his proportionate share of the profits of the Association, less interest on the amount with which the plaintiff stood charged, except to the extent of about $310,000, which plaintiff paid on account of said interest in cash or its equivalent. During his membership, however, the plaintiff, in addition to an adequate salary paid to him for his services as a manager, received upon his said interest actual dividends in cash, which not only repaid to him the sum of $310,000, but an additional sum or clear profit of $938,275.87. The book value of said six per centum interest on January 1st, 1900, was $4,536,606.24, to which in a settlement with the plaintiff his proportion of the profit earned in the months of January and February, 1900. We aver that the plaintiff has no reason to complain of the operation of a contract which gives to him nearly $5,000,000 for an interest which involved no investment of capital by him, and which has already paid him, in cash, profits of almost $1,000,000.

* * *

At a Meeting of the Shareholders of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 2:00 P. M., Saturday, March 31st, 1900,

the following duly elected members, each representing the Capital set opposite his name, were present:—

Andrew Carnegie, (By his Attorney in fact, C. M. Schwab)	58½%	or	$14,625,000.00
Henry Phipps	11	or	2,750,000.00
H. C. Frick, (By his Attorney in Fact, F. T. F. Lovejoy)	6	or	1,500,000.00
George Lauder, (By his Attorney in Fact, C. M. Schwab)	4	or	1,000,000.00
H. M. Curry, (By his Attorney in Fact, F. T. F. Lovejoy)	2	or	500,000.00
C. M. Schwab	3	or	750,000.00
W. H. Singer	2	or	500,000.00
L. C. Phipps	2	or	500,000.00
A. R. Peacock	2	or	500,000.00
F. T. F. Lovejoy	2/3	or	166,666.67
James Gayley	2/3	or	166,666.67
Thomas Morrison	2/3	or	166,666.67
D. M. Clemson	2/3	or	166,666.67
George H. Wightman	2/3	or	166,666.67
A. M. Moreland	2/3	or	166,666.67
C. L. Taylor	1/2	or	125,000.00
A. R. Whitney, (By his Attorney in Fact, F. T. F. Lovejoy)	1/2	or	125,000.00
W. W. Blackburn	1/3	or	83,333.33
John C. Fleming	1/3	or	83,333.33
J. Ogden Hoffman	1/3	or	83,333.33
Millard Hunsiker, (By his Attorney in Fact, C. M. Schwab)	1/3	or	83,333.33
George E. McCague	1/3	or	83,333.33
James Scott	1/3	or	83,333.33
W. E. Corey	1/3	or	83,333.33
Jos. E. Schwab	1/3	or	83,333.33
H. P. Bope	2/9	or	55,555.55
L. T. Brown	2/9	or	55,555.55
D. G. Kerr	1/9	or	27,777.78
H. E. Tener, Jr.	1/9	or	27,777.78
G. D. Packer	1/9	or	27,777.78
W. B. Dickson	1/9	or	27,777.78

Chas. W. Baker.....	1/9	or	27,777.78
H. J. Lindsay.....	1/9	or	27,777.78
A total in value of interest of...	100%	or	$24,819,444.44
and in number of.....	100%		
and in Membership of.....	100%		

The Meeting having been called to order it was organized by the election of C. M. Schwab, as Chairman of the Meeting and A. M. Moreland, as Secretary.

* * *

The Chairman announced that after the filing of two bills in equity in the Court of Allegheny County, one by H. C. Frick vs. The Carnegie Steel Company, Limited, et al., No. 422 March Term, 1900, and the other by John Walker, et al., vs. The H. C. Frick Coke Company, the Carnegie Steel Company, Limited, et al., No. 479 April Term, 1900, negotiations were had looking to a settlement of both said controversies in connection with a present reorganization of this Company, which otherwise would have expired by limitation April 1st, 1901; that said negotiations had resulted in an agreement reduced to writing at Atlantic City under date of March 19, 1900, and afterwards signed by or on behalf of all the members of this Association and the stockholders of the H. C. Frick Coke Company; that subsequently the committee acting under that Agreement had deemed it expedient to slightly vary some of the details of the plan, as follows; to wit:—

(1) Instead of conveying all of the real estate of this Association to the Carnegie Steel Company, a corporation of Pennsylvania, to make a separate conveyance of such portions thereof as are not used in or in the judgment of the managers do not strictly pertain to its manufacturing business to a Land Company, to be organized under the laws of Pennsylvania, which can more conveniently hold and convey the same, the stock of said land company to be transferred, however, to the Carnegie Steel Company, a corporation of

Pennsylvania; and (2) to convey the Youghiogheny Coke Works and the Larimer Coke Works of this Association to the H. C. Frick Coke Company to be hereafter owned and operated by the latter Company; that a charter for a corporation to be known as the Carnegie Company had been taken out under the laws of New Jersey with an authorized capital stock of $160,000,000.00 fully subscribed for by the members of this Association and the stockholders of the H. C. Frick Coke Company in their respective proper proportions; that the said committee, pursuant to said Agreement, had entered into a contract with the Carnegie Company for the sale and delivery to said Company of the property proposed to be acquired by it in full payment of said stock subscriptions and for the bonds to be issued by said Company; and that this meeting had been called for the purpose of taking such action as is requisite on the part of this Association or its members for the carrying out of said plan of reorganization.

On motion (MM. A. R. Peacock and W. E. Corey)

RESOLVED, That the Atlantic City Agreement, dated March 19, 1900, be spread upon the Minutes of this Meeting.

The said Agreement is as follows, to-wit:—

Messrs. Schwab, Carnegie, L. C. Phipps, Morrison, Clemson, Gayley, and Moreland, representing the Carnegie Steel Company, Limited, and Henry Phipps, representing John Walker and others of the H. C. Frick Coke Company, agree as follows:

All the business of the Carnegie Steel Company, Limited, and the H. C. Frick Coke Company to be merged substantially as shown in paper "A," of June 3rd, 1899, attached hereto, adjustments to be made up to April 1st, 1900, which will bring the two concerns into the same relative positions as to Book Value as they occupied April 1st, 1899.

In the matter of the dispute between the two companies as to prices of Coke, neither party shall be held to be right or wrong, both shall be considered equally so, therefore the difference will be split in two, each party yielding one-half of its claim.

WITNESS:
JAS. BERTRAM.

ANDREW CARNEGIE,
HENRY PHIPPS,
C. M. SCHWAB,
L. C. PHIPPS,
THOS. MORRISON,
JAMES GAYLEY,
D. M. CLEMSON,
A. M. MORELAND,
F. T. F. LOVEJOY.

The same parties representing the Carnegie Steel Company, Limited, and F. T. F. Lovejoy, representing H. C. Frick, under full authority to do so, agree as follows:

The Carnegie Steel Company, Limited, will hand over to said Lovejoy 6% of the stocks and securities it obtains under this merger, said Lovejoy to receipt for the same in full of all claims of said Frick against the Company or any of its members. To this receipt the signature of H. C. Frick will also be appended, and H. C. Frick will thereupon withdraw his suit against the Company. Meanwhile, all legal proceedings to remain in statu quo.

The Committee to carry out the details of this Agreement is to consist of C. M. Schwab, G. D. Packer, F. T. F. Lovejoy and A. M. Moreland, who shall act by unanimous consent, but that failing, all differences, if any, will be referred to Judge J. H. Reed, whose decisions shall be final.

The plans for carrying out this Agreement are more fully set forth in a paper marked "B" hereto appended and made part of this Agreement.

We, the undersigned, pledge ourselves to carry out the spirit of this Agreement in good faith and with every desire to bring it to a successful conclusion.

Witness:
JAS. BERTRAM.

ANDREW CARNEGIE,
HENRY PHIPPS,
C. M. SCHWAB,
L. C. PHIPPS,
THOS. MORRISON,
JAMES GAYLEY,
D. M. CLEMSON,
A. M. MORELAND,
F. T. F. LOVEJOY.

Stockholders.	Value C. S. Co. Ltd. Stock.	Value H. C. F. C. Co. Stock.
Andrew Carnegie	$146,250,000.00	$30,039,898.09
Henry Phipps	27,500,000.00	7,652,354.74
H. C. Frick	15,000,000.00	16,604,529.50
George Lauder	10,000,000.00	1,187,237.97
C. M. Schwab	7,500,000.00	618,575.66
W. H. Singer	5,000,000.00	773,031.18
H. M. Curry	5,000,000.00	771,183.88
L. C. Phipps	5,000,000.00	412,627.36
A. R. Peacock	5,000,000.00	412,259.46
F. T. F. Lovejoy	1,666,666.67	138,029.63
Thos. Morrison	1,666,666.67	137,843.16
George H. Wightman	1,666,666.67	137,661.73
D. M. Clemson	1,666,666.67	137,661.73
James Gayley	1,527,777.78	126,401.58
A. M. Moreland	1,527,777.78	126,220.15
Charles L. Taylor	1,250,000.00	103,337.01
A. R. Whitney	1,250,000.00	102,974.15
W. W. Blackburn	833,333.33	69,012.29
John C. Fleming	833,333.33	69,012.29
J. Ogden Hoffman	833,333.33	69,012.29
Millard Hunsiker	833,333.33	69,012.29
George C. McCague	833,333.33	69,012.29
James Scott	833,333.33	69,012.29
H. P. Bope	277,777.78	22,883.14
W. E. Corey	833,333.33	68,649.43

Jos. E. Schwab	833,333.33	68,649.43
L. T. Brown	555,555.55	45,766.29
D. G. Kerr	277,777.78	22,883.14
H. J. Lindsay	277,777.78	22,883.14
E. F. Wood	277,777.78	22,883.14
H. E. Tener, Jr.	277,777.78	22,883.14
George Megrew	277,777.78	22,883.14
G. D. Packer	277,777.78	22,883.14
A. C. Case	277,777.78	22,883.14
John McLeod	277,777.78	22,883.14
Chas. W. Baker	277,777.78	22,883.14
Undivided	1,250,000.00	102,974.24
Mrs. L. C. Carnegie		5,018,026.81
John Walker		1,434,398.29
Thomas Lynch		640,794.18
Vandevort Estate		521,794.83
Borntraeger Estate		360,103.45
G. B. Bosworth		355,497.51
J. G. A. Leishman		360,085.87
Robert Ramsey		194,355.37
John Pontefract		194,355.37
S. L. Schoonmaker		194,335.37
Mrs. C. A. Wilson		92,631.07
Miss H. R. Wilson		40,166.20
John Walker, Guardian		40,161.36
Miss C. B. Wilson		40,110.99
John T. Wilson		40,082.89
Miss E. C. Wilson		39,425.79
Totals,	$250,000,000.00	$70,000,000.00

This statement to be modified to cover transfers of interests in The Carnegie Steel Company, Limited, made as at January 1st, 1900.

Interest adjusted to June 1st, 1899.

Pittsburg, June 3, 1899.

A. C.	H. P.	T. M.
L. C. P.	C. M. S.	J. G.
D. M. C.	A. M. M.	F. T. F. L.

"B"

MEMORANDUM, covering details agreed upon at Atlantic City this 19th March, 1900, by each and every of the persons whose names are attached hereto; each agreeing with the others that he will do all in his power in good faith to carry out this Agreement and to induce every other stockholder in the Companies named to join in this Agreement, being convinced that it will be for the best interests of all concerned:

The business of the Carnegie Steel Company, Limited, the H. C. Frick Coke Company, and all the other Companies subsidiary to each, or either, to be consolidated, thus:

All the lands, works and other properties now owned and operated by The Carnegie Steel Company, Limited, to be sold and transferred to the Carnegie Steel Company, an existing Pennsylvania corporation, saving and excepting the Stocks held by it in certain other corporations, to-wit: the H. C. Frick Coke Company, with all its subsidiary Companies, the Oliver Iron Mining Company, the Union Railroad Company, the Pittsburg Bessemer and Lake Erie Railroad Company, and all Stocks in other Companies, now held by the Carnegie Steel Company, Limited, which are considered permanent investments and not merely securities; payment therefore to be made in Stock of the Carnegie Steel Company, the Capital whereof shall be increased to Fifty Million Dollars ($50,000,000.00).

The Stock now held by The Carnegie Steel Company, Limited, in the H. C. Frick Coke Company, the Youghiogheny Northern Railway Company, the Youghiogheny Water Company, the Mt. Pleasant Water Company, and the Trotter Water Company, to be distributed among the Shareholders of The Carnegie Steel Company, Limited, in proportion to their several interests and Shareholders to be charged for said Stocks at their respective Book Values as at April 1st, 1900.

A. C.	H. P.	T. M.
L. C. P.	C. M. S.	J. G.
D. M. C.	A. M. M.	F. T. F. L.

A corporation to be formed under the laws of New Jer-Jersey, having the name and title The Carnegie Company, with $160,000,000.00 Capital Stock, which Company shall ac-

quire all the Stock of the Carnegie Steel Company, the H. C. Frick Coke Company, all their subsidiary Companies and the Stocks of all other Companies now held by The Carnegie Steel Company, Limited, which are held as investments, by purchase, paying to the Stockholders therefor, as follows:

For all of the Stock in the Carnegie Steel Company and for all of the Stocks now held by The Carnegie Steel Company, Limited, saving and excepting the stocks held by it in the H. C. Frick Coke Company, the Youghiogheny Northern Railway Company, the Youghiogheny Water Company, the Mt. Pleasant Water Company and the Trotter Water Company, one hundred and twenty-five million dollars in the Stock of The Carnegie Company and a like amount in bonds of said Company, as hereinafter described.

For all the Stock in the H. C. Frick Coke Company, the Youghiogheny North Railway Company, the Youghiogheny Water Company, the Mt. Pleasant Water Company and the Trotter Water Company, and the Union Supply Company, Limited, thirty-five million dollars, in Stock of The Carnegie Company and a like amount in bonds of said Company, as hereinafter described.

Preliminary to the foregoing adjustment shall be made, as follows:

A dividend shall be declared by the Carnegie Steel Company, Limited, of such amount as shall be necessary to make the Book Values of the Stocks of the Carnegie Steel Company, Limited, (exclusive of its holdings in the H. C. Frick Coke Company and its subsidiary Companies), on the one hand, and of the H. C. Frick Coke Company and all its subsidiary Companies on the other, relatively the same as on April 1st, 1900, as they were on April 1st, 1899, when the values of $250,000,000.00 and $70,000,000.00 respectively, were first established.

After the Carnegie Steel Company, Limited, shall have

A. C.	H. P.	T. M.
L. C. P.	C. M. S.	J. G.
D. M. C.	A. M. M.	F. T. F. L.

distributed among its shareholders its holdings of stock in the H. C. Frick Coke Company and its subsidiary Companies, ad-

justment shall be made between all the stockholders in the H. C. Frick Coke Company, so that each shall hold his proper and proportionate amount of stock in the subsidiary Companies, such adjustments to be made at the respective Book Values, April 1st, 1900, of the said stocks.

The bonds to be issued by the Carnegie Company shall be in such form as shall be agreed upon by the Committee hereinafter named, under the directions of the General Counsel, and shall embody the following:

Bonds payable in one hundred years, interest payable in New York, semi-annually at five per cent per annum, free of all tax, to be in such amount, $1,000.00, $5,000.00 and $10,000.00, as may be found best; to be divided into four series of $40,000,000.00 each so as to make interest fall due February 1st and August 1st, March 1st and September 1st, May 1st and November 1st, June 1st and December 1st, of each year, secured by a mortgage or Deed of Trust covering all the stocks held by the Carnegie Company in all the subsidiary or operating Companies. After five years a sinking fund of one-half of one per cent on said Bonds, to be established. Bonds to be subject to be drawn for redemption out of sinking fund at any time at 1.05 after five years. In case of default in the payment of interest the principal may become due and payable. No personal liability on bonds; to be registered or not, at holder's option; with such other provisions as are usual or

A. C.	H. P.	T. M.
L. C. P.	C. M. S.	J. G.
D. M. C.	A. M. M.	F. T. F. L.

or advised by Counsel for the proper protection of the Bondholders.

Each stockholder in the Carnegie Company whose interests has not been fully paid up shall have the right and privilege at his option of selling to the Carnegie Company, at par, sufficient of his bonds to liquidate his indebtedness, or of depositing as collateral security for such indebtedness bonds or stock of the Carnegie Company in proportion to his indebtedness, three times in Stock or one and one-half times in Bonds, at his option.

Stock in the Carnegie Company shall be reserved to the amount of $3,200,000.00 for the purpose of selling interests in said Company to deserving Officials and employees, carrying out the plan heretofore established by Carnegie Brothers & Company, Limited, which is declared to be an essential feature of the new company.

Signed in duplicate, one copy being entrusted to A. M. Moreland, Secretary of the Carnegie Steel Company, Limited, and the other copy to F. T. F. Lovejoy.

Witness:

Jas. Bertram.

Andrew Carnegie,
Henry Phipps,
C. M. Schwab,
Thos. Morrison,
L. C. Phipps,
James Gayley,
D. M. Clemson,
A. M. Moreland,
F. T. F. Lovejoy.

* * *

On motion (MM. Chas. L. Taylor and A. C. Case).

Resolved, that the Agreement between the Committee under the Atlantic City agreement (the Vendors) and The Carnegie Company, be spread upon the minutes of this Meeting.

The said Agreement is as follows, to-wit:

An Agreement, made this twenty-seventh day of March, A. D. nineteen hundred (1900), by and between Charles W. Schwab, Andrew M. Moreland, Francis T. F. Lovejoy and Gibson D. Packer, acting as a Committee in behalf of the owners of property and hereinafter designated as "The Vendors" of the first part, and The Carnegie Company, a corporation organized under the laws of the State of New Jersey, and duly registered in accordance with the law, hereinafter called "The Company" of the second part,

WHEREAS, The Company has been organized with an authorized Capital of one hundred and sixty million dollars ($160,000,000.00) and is authorized by its Certificate of Incorporation to issue Bonds in the form and manner prescribed by the Directors, and

WHEREAS, The Company desires, by an issue of its Capital Stock and Bonds, as hereinafter provided, to acquire the said property; and

WHEREAS, after due investigation and appraisement and Stockholders and Board of Directors of the Company have ascertained, adjudged and determined that the value of the property and stocks so to be acquired is equal to at least the value of the par value of the stock and bonds of the Company to be issued therefor, and,

WHEREAS, the owners of such property have appointed as a Committee acting in their behalf Messrs. Charles M. Schwab, Andrew M. Moreland, Francis T. F. Lovejoy and Gibson D. Packer, and

WHEREAS, it is necessary, in order to acquire the said property to make a contract with the said Vendors, acting as aforesaid;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

That the said The Vendors, acting as such Committee, shall make or shall cause to be made to The Carnegie Company, a transfer in due form approved by the Counsel of the Company, of the properties hereinafter named, such transfer to vest in The Carnegie Company a full and indefeasible title to the following named properties:

500,000 shares of the Carnegie Steel Company, a corporation of the State of Pennsylvania, being the entire capital of said Company.

200,000 shares of the H. C. Frick Coke Company, a corporation of the State of Pennsylvania, being the entire Capital Stock of said Company.

6,000 shares of the Carnegie Natural Gas Company, a corporation of the State of Pennsylvania, being the entire Capital of said Company.

40,000 shares of the Union Railroad Company, a corpora-

tion of the State of Pennsylvania, being the entire Capital of said Company.

8,000 shares of the Youghiogheny Northern Railroad Company, a corporation of the State of Pennsylvania, being the entire Capital of said Company.

100 shares of the Slackwater Connecting Railroad Company, a corporation of the State of Pennsylvania, being the entire Capital Stock of said Company.

100,010 shares of the Common Stock and 22,162 shares of the Preferred Stock of the Pittsburg, Bessemer & Lake Erie Railroad Company, a corporation of the State of Pennsylvania, being 50,005 per cent of the entire capital Stock of said Company, plus 2160 shares of Preferred Stock.

10,000 shares of the Oliver Iron Mining Company, a corporation of the State of Minnesota, being five-sixths of the entire Capital Stock of said company.

4,000 shares of the Pewabic Company, a corporation of the State of Wisconsin, being one-half of the entire Capital Stock of said Company.

416-2/3 shares of the Pittsburg Steamship Company, a corporation of the State of West Virginia, being five-sixths of the entire Capital Stock of said Company.

1,000 shares of the Pittsburg and Conneaut Dock Company, a corporation of the State of West Virginia, being the entire Capital Stock of said Company.

$45,000.00 of the Capital Stock of the Pittsburg Limestone Company, Limited, a limited partnership of the State of Pennsylvania, being three-fourths of the entire capital of the said Limited Company.

20 shares of the Mingo Coal Company, a corporation of the State of Pennsylvania, being the entire Capital Stock of said Company.

1,000 shares of the Youghiogheny Water Company, a corporation of the State of Pennsylvania, being the entire Capital Stock of said Company.

3,000 shares of the Mt. Pleasant Water Company, a corporation of the State of Pennsylvania, being the entire Capital Stock of said Company.

5,000 shares of the Trotter Water Company, a corpora-

tion of the State of Pennsylvania, being the entire Capital Stock of said Company.

$75,000.00 of the Capital Stock of the Union Supply Company, Limited, a limited partnership of the State of Pennsylvania, being the entire Capital of said limited partnership.

The Company hereby agrees, in consideration of the said sale and upon delivery of the said property, to issue to the nominees of the Vendors, as hereinafter designated, or to such persons as the said nominees shall in writing hereafter designate, at such time and in such amounts as they shall respectively direct, certificates of the stock of The Company to the aggregate amount of one hundred and sixty thousand shares (160,000) and the said shares shall be deemed to be and are hereby declared to be full paid shares, and not liable to any further call for assessment, and the holders of such stock shall not be liable for any further payment thereon;

And also Collateral Trust Bonds to the amount of fifty-four thousand (54,000) bonds, aggregating one hundred and sixty million dollars ($160,000,000.00) in value, which shall be in such form and shall be approved by the Counsel of The Company and also by the Vendors, and to be secured by Collateral Deed of Trust, which shall also be in such form as is approved by Counsel and by the Committee.

Such stock shall in part be issued as follows:

Messrs.	Henry Phipps,	one share,
	George Lauder,	one share,
	James Gayley,	one share,
	William H. Singer,	one share,
	Andrew M. Moreland,	one share,
	James B. Dill,	one share,
	Charles M. Schwab,	one share,
	Lawrence C. Phipps,	one share,
	Daniel M. Clemson,	one share,
	Thomas Morrison,	one share,
	Thomas Lynch,	one share,

The balance of said Stock and Bonds, unless otherwise directed, in writing, by the nominees hereinafter named, shall be issued as follows:

	Shares of Stock.	Shares of Bonds.
Andrew Carnegie	86,382	$88,147,000.00
Henry Phipps	17,226	17,577,000.00
Henry C. Frick	12,975	13,240,000.00
Henry C. Frick	2,509	2,560,000.00
George Lauder	5,481	5,593,000.00
Charles M. Schwab	3,979	4,061,000.00
Henry M. Curry	2,829	2,886,000.00
William H. Singer	2,829	2,886,000.00
Lawrence C. Phipps	2,653	2,707,000.00
Alexander R. Peacock	2,653	2,707,000.00
Lucy C. Carnegie	2,459	2,510,000.00
Francis T. F. Lovejoy	884	902,000.00
James Gayley	884	902,000.00
Thomas Morrison	884	902,000.00
Andrew M. Moreland	884	902,000.00
Daniel M. Clemson	884	902,000.00
George H. Wightman	884	902,000.00
John Walker	703	717,000.00
Charles L. Taylor	663	677,000.00
Alfred R. Whitney	663	677,000.00
John C. Fleming	442	451,000.00
William W. Blackburn	442	451,000.00
J. Ogden Hoffman	442	451,000.00
Millard Hunsiker	442	451,000.00
George E. McCague	442	451,000.00
James Scott	442	451,000.00
William E. Corey	442	451,000.00
Joseph E. Schwab	442	451,000.00
Thomas Lynch	316	323,000.00
Henry P. Bope	295	301,000.00
Lewis T. Brown	295	301,000.00
Robert Vandevort	255	260,000.00
John B. Jackson	176	179,000.00
John G. A. Leishman	176	179,000.00
Giles B. Bosworth	176	179,000.00
David G. Kerr	147	150,000.00
Homer J. Lindsay	147	150,000.00
Ezra F. Wood	147	150,000.00

Hampden E. Tener, Jr.	147	150,000.00
George Megrew	147	150,000.00
Gibson D. Packer	147	150,000.00
William B. Dickson	147	150,000.00
Albert C. Case	147	150,000.00
John McLeod	147	150,000.00
Charles W. Baker	147	150,000.00
Janet E. Ramsay	95	97,000.00
John Pontefract	95	97,000.00
Sylvanus S. Schoonmaker	95	97,000.00
Azor R Hunt	74	75,000.00
Alva C. Dinkey	74	75,000.00
P. Toesten Berg	74	75,000.00
Charles McCreery	74	75,000.00
Caroline A. Wilson	45	46,000.00
Helen R. Wilson	19	20,000.00
John Walker	19	20,000.00
Clara B. Wilson	19	20,000.00
John T. Wilson	19	20,000.00
Edna C. Wilson	19	20,000.00
James G. Hunter	19	19,000.00
Emil Swennson	19	19,000.00
James J. Campbell	19	19,000.00
A. M. Moreland, Trustee	3,189	
Total,	159,989,	$160,000,000.00

The delivery of the Certificates for said shares to the parties named above, and of the bonds, to the parties respectively above named, and their respective receipts for the same shall be a full discharge to each of the parties hereto to the extent thereof.

Excepting only the qualifying shares to Directors, the certificates for the remainder of the Stock and the bonds hereinbefore provided for are to be delivered to the Vendors for delivery to the parties entitled thereto, as aforesaid, and their receipt shall discharge the Company from further obligations as to the delivery of the said Stock and bonds; the said Vendors agreeing to subsequently deliver to the said Company the individual receipts of each party to whom the said Stock

shall ultimately be delivered by the Vendors, in accordance with the terms of this Agreement and a Majority of the Vendors shall have power, on behalf of the Vendors, to carry out the provisions of this Agreement.

It is understood and agreed that the shares to be issued as in the second preceding paragraph hereof, to the parties there named, are the shares subscribed by the Incorporators of the Company, as set forth in the Certificate of Incorporation and shall discharge the said Incorporators from any further liability to the corporation on account of their said respective subscriptions.

The Vendors hereby covenant and agree with the Company upon request and at the cost of the Company, to execute and do all such further acts, assurances and things as shall be reasonably required by the Company for vesting in it the property and stocks hereby agreed to be sold, giving to it the full benefit of this Agreement.

The Company may pay any and all of the expenses directly or indirectly connected with or precedent to the organization of The Carnegie Company or the amount thereof may be ratably apportioned between the owners of the properties and stocks purchased in the manner and amounts as the Vendors shall direct.

A list of such property owners, showing the amounts of their several subscriptions, shall be furnished to The Carnegie Company, and it may and shall look to such owners ratably to the extent of their several subscriptions.

Finally, the Vendors, shall be liable only ratably with the other owners of the property according to the amount of their several subscriptions.

This agreement, and any agreement made in pursuance thereof, shall be strictly inter-parties and no Stockholders of any of the Company or companies whose stocks are to be transferred shall be deemed to have any rights thereunder; as to any such stockholders any rights shall be strictly provided for in accordance with the agreement of the Committee with the Carnegie Company.

In witness whereof the Vendors have hereunto set their hands and seals and the Company has caused this instrument

to be executed in its behalf by its President and Secretary, duly authorized thereto, and its corporate seal to be affixed.

On motion, (MM. W. W. Blackburn and A. R. Peacock),

RESOLVED, that the said Atlantic City agreement and the said Vendors' Agreement, so far as they involve or require action by this Association, be and they are hereby approved and the Managers are hereby empowered to do and perform all such matters and things as shall be requisite and necessary to carry out and perform the same according to the true intent and meaning thereof; but, in particular, be it further

RESOLVED, (1), that upon or after the distribution in specie of the Stocks in said Atlantic City agreement mentioned among the members of this Association, and after the payment of the Dividend thereby contemplated and provided for, the Managers be and they are hereby authorized to procure the organization of the Carnegie Land Company, a corporation of Pennsylvania, with an authorized Capital Stock of such amount as to the Managers shall seem fit and proper, and upon the organization of the said Carnegie Land Company, the said Managers be and they are hereby authorized and empowered, to make conveyance unto the said Carnegie Land Company as of date April 2, 1900, of all the real estate of this Association, which is not used in or in the judgment of the Managers shall not strictly pertain to the manufacturing business of this Association and to receive the payment therefore in the Capital Stock of the Carnegie Land Company to be issued to this Association fully paid.

2. That the Managers be and they are hereby authorized and empowered to make conveyance to the H. C. Frick Coke Company of all the real and personal property of the Association situate in Allegheny and Westmoreland Counties, comprising or used in connection with the Youghiogheny Coke Works, and the Larimer Coke Works, the consideration for said conveyance to be such nominal or substantial amount as in the judgment of said Managers shall be fit and proper.

3. That the Managers be and they are hereby authorized and empowered to sell, convey, assign, transfer and deliver unto the Carnegie Steel Company, a corporation of Pennsylvania, as of date April 2, 1900, all the remaining real estate

owned by this Association in fee simple or for any less estate, together with the Mills, Furnaces, buildings, improvements, fixtures, structures, machinery, tools, appliances and appurtenances thereunto belonging, and also all the cash on hand, accounts, bills and mortgages receivable and choses in action, the stock or material on hand, the entire amount of product finished or in progress of manufacture, all letters patent or rights or interest therein or thereunder, with the good will of or pertaining to this Association and its business, and, generally, all the real and personal estate of this Association of any and every nature and wheresoever situate, excepting the shares of Stock or interests in other companies, corporations or organizations which this Association holds or owns as investments, and including in said sale or transfer the entire Capital Stock of the Carnegie Land Company, a corporation of Pennsylvania; the consideration for the said sale, conveyance, assignment or transfer (in addition to the covenants of the Carnegie Steel Company below mentioned) being the sum of $49,900,000 payable in full paid shares of the capital stock of the Carnegie Steel Company at par and being the entire issue of said Capital Stock except the sum of $100,000.00 already held and owned by this Association, thus vesting in this Association the ownership of $50,000,000.00 of said Capital stock; it being understood that in making conveyance of said real estate and in making assignments or transfers of said personal property the consideration to be recited in the respective instruments shall be either such nominal or substantial amounts as shall be approved by the Managers and it being further understood that the sale, conveyance, assignment or transfer shall be so made to any existing encumbrances upon said real estate or any part thereof, and that as a part of the consideration moving between said parties, the said Carnegie Steel Company shall and will covenant to assume and pay or perform any and all outstanding unpaid or unperformed obligations or contracts of this Association of any and every nature, and, in general, to assume and pay any and all lawful claims or demands of any and every nature which may or can be asserted upon, against, or with reference to this Association or its property or business, by any person, persons, corporation, organization, municipality or government, and

that with respect thereto the Carnegie Steel Company shall and will from time to time and at all times hereafter, indemnify and save harmless this Association and each and all of its members; and it being further understood that the shares of stock or interest in other companies, corporations or organizations above referred to as excepted from said sale and transfer to the Carnegie Steel Company are the same as are below mentioned as included in the sale and transfer to be made to the Carnegie Company, a corporation of New Jersey.

4. That pursuant to said Vendors' Agreement the Managers be and they are hereby authorized and empowered to sell, assign, transfer and deliver, unto the Carnegie Company, a corporation of New Jersey, as of date April 2, 1900, all of the shares of stock or interests in other companies, corporations, organizations, which this Association holds and owns as investments and also $50,000,000.00 of the capital stock of the Carnegie Steel Company, a corporation of Pennsylvania; the consideration for said sale and transfer to be the sum of $250,000,000.00 payable to the extent of $125,000,000.00 in full, paid shares of the Capital Stock of the said The Carnegie Company at par (out of a total present issue of $160,000,000.00) and to the extent of $125,000,000.00 in the five per cent bonds of the said The Carnegie Company, mentioned and referred to in the Atlantic City Agreement at par (out of a total present issue of $160,000,000.00) it being understood that pursuant to said Agreement the remaining $35,000,000.00 of stock and $35,000,000.00 of bonds are to be issued by the said The Carnegie Company in payment for the entire Capital Stock of the H. C. Frick Coke Company and its subsidiary Companies; it being, however, further understood that inasmuch as the members of this Association and the owners of the capital stock of the H. C. Frick Coke Company have heretofore subscribed in their respective proper proportions for the entire Capital Stock of the said The Carnegie Company to the amount of $160,000,000.00, the sale and transfer of the Stocks in this Resolution referred to are hereby authorized to be made by this Association are in fact made for and in behalf of the members of this Association to the proportionate amounts of their respective subscriptions to the Capital Stock of the

said The Carnegie Company to the aggregate amount of $125,000,000.00 and are to be accepted by the said The Carnegie Company as payment in full on behalf of said subscribers in their respective proportions to the said aggregate amount of $125,000,000.00 as well as in payment for bonds to the same amount, which stocks and bonds shall be issued directly to the members of this Association, or their assigns, in their respective proper proportions as nominees of said Vendors, less the amount of said stock which, while fully paid for in the manner above mentioned, is to be retained by the said The Carnegie Company for subsequent issue to other persons, as contemplated by the said Atlantic City Agreement, and subject, also, to the provisions of said Atlantic City Agreement looking to the payment or securing by sale or pledge to the said Carnegie Steel Company of said stocks and bonds, or either, of any indebtedness of any of the members of this Association arising in their acquisition of their respective interests therein.

The foregoing Resolution was unanimously adopted.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 P. M., Monday, April 2nd, 1900, there were present MM. SCHWAB (President), SINGER, PEACOCK, PHIPPS, MORRISON, CLEMSON, GAYLEY, and MORELAND (Secretary). (MR. LAUDER abroad).

The President called attention to the action of the Shareholders or Members of the Association at a meeting held March 31st, 1900, respecting two agreements in writing, spread upon the minutes of said Meeting, one being an agreement under date of March 19th, 1900, known as the Atlantic City Agreement, and the other, an agreement entered into by C. M. Schwab, A. M. Moreland, F. T. F. Lovejoy, and Gibson

D. Packer, the Committee designated by said Atlantic City Agreement with the Carnegie Company, and known as the Vendors' Agreement, which agreements and the action of the said Shareholders' Meeting contemplate the sale of all the real and personal property of this Association.

On motion, (MM. Peacock and Clemson),

RESOLVED, that pursuant to the action of the Shareholders or Members of this Association, the Atlantic City Agreement and the Vendors' Agreement, spread upon the Shareholders' Minutes of March 31st, 1900, so far as they involve or require action by this Association, be and they are hereby approved, and the Officers of this Association are hereby empowered to do and perform all such matters and things as shall be requisite and necessary to carry out and perform the same according to the true intent and meaning thereof: the vote being unanimous.

* * *

At a Meeting of the Board of Managers of

THE CARNEGIE STEEL COMPANY, LIMITED,

held at the General Offices of the Association, Carnegie Building, Pittsburg, Pa., at 12:30 p. m., on Monday, June 25th, 1900, there were present MM. SCHWAB (President), SINGER, PEACOCK, GAYLEY, CLEMSON, MORRISON and MORELAND (Secretary).

The Secretary gave notice of the receipt of the following letter from the Oliver Iron Mining Company, and that this Company owned nine thousand, nine hundred and eighty-five (9,985) Shares of this Stock:—

THE CARNEGIE STEEL COMPANY, LIMITED,
PITTSBURG, PA.

GENTLEMEN:—

A special meeting of the stockholders of this Company will be held in Room 814, Carnegie Building, on Monday, June 24th, at 3 o'clock p. m.

The Stockholders will be asked to authorize the subletting of the Stephens Mine to the Lake Superior Consolidated Iron Mines, and to also authorize the sale of the Rouchleau Mine to the Lake Superior Consolidated Iron Mine. Will you kindly have a representative at this meeting, duly authorized by your Board to vote the 9,985 shares of stock you hold in this Company.

Yours, very truly,

C. D. FRASER,
Secretary.

The following Resolution was presented and read:—

RESOLVED, that Charles M. Schwab, as President, and A. M. Moreland, as Secretary, of this Association, are hereby authorized, directed and empowered to execute and give written authority for A. M. Moreland to act as the representative and proxy of this Association at a special Meeting of the Stockholders of the Oliver Iron Mining Company, to be held at the office of said Company, in Pittsburg, Pa., on Monday, June 25th, 1900, at 3 o'clock p. m.

On motion, (MM. Gayley and Clemson) the above Resolution was adopted; the vote being unanimous.

On motion, adjourned.

A. M. MORELAND,
Secretary.